



Munksjö Oyj

Interim Report

January–June 2013



Munksjö Oyj – First phase of combination completed, business performing steadily

Munksjö Oyj was created as a result of the combination of Munksjö AB, Sweden and the Label and Processing business area of Ahlstrom Corporation, Finland. Aside from the financial performance during the reporting period January-June 2013, this interim report provides pro forma figures reflecting the business combination for informative purposes. A more detailed description of how the pro forma figures were arrived at is provided in the notes to the Financial Statements under the heading ‘Business combination’.

Unless otherwise indicated, the figures in parentheses refer to the figures for the equivalent period in 2012. The figures provided in this interim report are unaudited. The interim report is published in Swedish, Finnish and English. In case of any discrepancies between the three versions, the Swedish text shall prevail.

Highlights of the first half of 2013:

- At the end of May, the first phase of the combination of Munksjö AB and Ahlstrom’s Label and Processing business area was completed and Munksjö Oyj commenced operations.
- Trading with Munksjö Oyj’s shares commenced on the Helsinki Stock Exchange at the beginning of June.
- Net sales increased to EUR 362,5 (301,7) million primarily as a result of the business combination and increased volumes.
- Adjusted EBITDA was EUR 28,0 (23,4) million.
- Operating profit adjusted for non-recurring items reached EUR 13,3 (11,2) million. Most of the non-recurring items totalling EUR -30,6 (-2,6) million were related to the business combination. Operating loss was EUR 17,3 (profit of 8,6) million.
- Earnings per share (EPS), were EUR -1,4 (0,0).
- Interest-bearing net debt at the end of the reporting period stood at EUR 268,2 (249,7) million, equivalent to a gearing of 68,9% (119,9%).

Highlights of the second quarter of 2013:

- Net sales increased to EUR 208,0 (154,1) million, primarily as a result of the completion of the first phase of the business combination.
- Adjusted EBITDA was EUR 16,5 (11,4) million.
- Operating profit adjusted for non-recurring items reached EUR 8,3 (5,2) million. Most of the non-recurring items totalling EUR -27,6 (-2,3) million were related to the business combination. Operating loss was EUR 19,3 (profit of 2,9) million.
- Earnings per share (EPS), were EUR -1,0 (0,0).

Key Figures

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Net sales	208,0	154,1	362,5	301,7	607,1
EBITDA (adj*)	16,5	11,4	28,0	23,4	42,3
EBITDA margin, % (adj*)	8,0	7,4	7,7	7,8	7,0
Operating profit	-19,3	2,9	-17,3	8,6	7,5
Operating margin, %	-9,3	1,9	-4,8	2,9	1,2
Operating profit (adj*)	8,3	5,2	13,3	11,2	16,9
Operating margin, % (adj*)	4,0	3,3	3,7	3,7	2,8
Net profit	-22,0	0,0	-23,9	0,9	-10,4
Earnings per share (EPS), EUR	-1,0	0,0	-1,4	0,0	-0,9
Interest-bearing net debt	268,2	249,7	268,2	249,7	217,3

*Adjusted for non-recurring items

▲ Munksjö's President and CEO, Jan Åström

"One of the world's leading manufacturers of specialty papers, Munksjö Oyj was established as a result of the combination of Munksjö AB with Ahlstrom's specialty paper business. After several months of preparations and a thorough antitrust process by the European Commission, the business combination was completed smoothly without any problems or surprises. Subsequently, Munksjö Oyj was listed on the Helsinki Stock Exchange on 7 June as planned.

Integration is now under way and intensive efforts are being made throughout the Group to deliver the foreseen synergy benefits. In terms of money, the annual synergy outcomes will reach EUR 20 to 25 million, and 60% of the target synergy level should be achieved during the first twelve months. The final synergy benefit level is to be achieved in 36 months.

The second phase of the transaction, in which Ahlstrom's specialty papers business in Brazil is combined with Munksjö, will be completed during the second half of 2013. As part of the completion of the first phase of the combination, Munksjö reorganised its external loan portfolio. As a result, the company is on a sound footing with a financing at market rates.

The new management team is complete and formally appointed by the company's Board of Directors. I am looking forward to working with my new committed, result-oriented and highly experienced management team which is now beginning its work.

Faced with challenging market conditions in its main markets, primarily Europe, Munksjö has succeeded to reinforce its position. In the Decor and Industrial Applications business areas, we have been able to deliver double-digit adjusted EBITDA margins. Primarily, this was achieved through growing volumes and the steady prices of the end products. At the same time, we were able to establish a competitive cost structure. A programme to improve profitability in Graphics and Packaging is currently under preparation for deployment during the third quarter. Our goal is to substantially improve profitability in this business area in accordance with the financial objectives communicated by the company."

▲ Outlook for 2013

Market trends and the demand for Munksjö's Release Liners and Graphics and Packaging products are expected to remain challenging for the rest of the year. Profits in the third quarter will be affected by the planned shutdown of production facilities in the summer, which will be similar in duration to last year. A range of pre-defined maintenance operations will be completed during the shutdown. Financial performance during the second half of the year will be impacted by non-recurring items arising from the efforts to achieve the foreseen synergy benefits and the programme to improve profitability in the Graphics and Packaging business area.

▲ 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, 22 August, 2013, at 10.00 am CET (11.00 am EET, 9.00 am UK time) at restaurant Savoy, room Salikabinetti (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 to 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: 934525

[Link to the webcast](#)

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

On 28 August, 2012 Munksjö Oyj, Munksjö AB, EQT and Ahlstrom Corporation (Ahlstrom) agreed on forming a global leader in specialty paper, by combining Munksjö AB with Ahlstrom's Label and Processing business area in Europe (LP Europe) and in Brazil (Coated Specialties). The new company had in aggregate combined sales of EUR 1,2 billion in 2012, approximately 3 000 employees, 15 production sites in Europe, Brazil and China, and a global sales organisation.

The business combination is a natural step in Munksjö's strategy to focus on growth within specialty papers. Munksjö Oyj is one of the world's largest specialty paper companies with strong market positions in attractive market segments. Munksjö has four business areas: Decor, Release Liners (previously named Release & Label), Industrial Applications and Graphics and Packaging.

According to the business combination agreement, Munksjö AB will be combined with Ahlstrom's Label and Processing businesses in Europe and Brazil into Munksjö Oyj through two partial demergers. The transaction is completed in two phases. The first phase of the transaction, the combination of Munksjö AB and LP Europe, was completed on 24 May, 2013 and registered on 27 May, 2013, following regulatory approvals from the Brazilian competition authority (CADE) and the European Commission.

The regulatory approval from the EU Commission included a regulatory commitment to divest Ahlstrom's abrasive paper backings and pre-impregnated decor paper production lines in Osnabrück, Germany, to a third party. The divestiture process of the two production lines is currently under way and is managed by Ahlstrom. LP Europe was combined with Munksjö AB through a demerger, the acquisition of Munksjö AB in exchange for new shares in Munksjö Oyj and a directed share issue of Munksjö Oyj to Ahlstrom, EQT, Munksjö AB and certain institutional investors.

In the second phase of the transaction, Coated Specialties will be combined with Munksjö Oyj through the execution of a demerger. The conditions for the execution of the Coated Specialties demerger were not fulfilled prior to the expiration of the demerger decision made by Ahlstrom's Extraordinary General Meeting on 27 November 2012 and therefore Ahlstrom convened a new Extraordinary General Meeting to resolve on a new partial demerger of Coated Specialties. Further details can be found in the 'Events after the end of the review period' section of this interim report. The Coated Specialties-business in Jacarei in Brazil will, after the completion of the second phase of the business combination, be included in Munksjö's business area Release Liners. The completion of the second phase of the business combination is expected to take place by the end of 2013.

Upon execution of the demerger of the Coated Specialties Business, the shareholders of Ahlstrom will receive as demerger consideration 0,265 new shares in Munksjö Oyj for each share owned in Ahlstrom. In case the number of shares received by a shareholder of the company as demerger consideration would be a fractional number, the fractions will be rounded down to the nearest whole number. Further details on the business combination can be found in the notes of this interim report under the headline 'Business Combination'.

Trading of the shares in Munksjö Oyj commenced on 7 June, 2013 on the Helsinki Stock Exchange (NASDAQ OMX Helsinki). Further details can be found in this interim report under the headline 'Shares and shareholders'.


The Munksjö Group

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Reported ¹⁾					
Net sales	208,0	154,1	362,5	301,7	607,1
EBITDA (adj*)	16,5	11,4	28,0	23,4	42,3
EBITDA margin, % (adj*)	8,0	7,4	7,7	7,8	7,0
Operating profit	-19,3	2,9	-17,3	8,6	7,5
Operating margin, %	-9,3	1,9	-4,8	2,9	1,2
Operating profit (adj*)	8,3	5,2	13,3	11,2	16,9
Operating margin, % (adj*)	4,0	3,3	3,7	3,7	2,8
Net profit	-22,0	0,0	-23,9	0,9	-10,4
Capital expenditure	4,6	2,4	6,8	4,7	14,8
Employees, FTE	1 970	1 684	1 814	1 683	1 679
Pro forma I (incl. LP Europe) ²⁾					
Net sales	275,1	272,8	543,5	534,7	1 055,6
EBITDA**	12,5	14,0	28,9	5,7	32,9
Non-recurring items	3,0	2,1	3,7	29,5	36,3
EBITDA** (adj*)	15,5	16,1	32,6	35,2	69,2
Delivery volumes, tonnes	204 300	203 592	408 802	405 014	796 900
Pro forma II (incl. LP Europe and Coated Specialties) ³⁾					
Net sales	299,6	298,1	590,0	585,1	1 154,6
EBITDA**	13,3	16,3	31,5	10,1	39,8
Non-recurring items	3,0	2,1	3,7	30,0	36,8
EBITDA** (adj*)	16,3	18,4	35,2	40,1	76,6
Delivery volumes, tonnes	231 000	229 580	458 065	455 845	897 371

* Adjusted for non-recurring items

** Does not include stand-alone cost savings or synergy benefits as described in the section Pro forma information in the notes to the interim report

1) Includes LP Europe from 27 May, 2013

2) Includes LP Europe from 1 January, 2012

3) Includes LP Europe and Coated Specialties from 1 January, 2012

First half of 2013

Munksjö's net sales increased to EUR 362,5 (301,7) million, primarily due to the completion of the first phase of the combination with Ahlstrom's Label and Processing business area and increased volumes in Decor and Industrial Applications. The acquired business contributed an additional EUR 46,9 million to net sales. Pro forma II net sales increased marginally to EUR 590,0 (585,1) million.

Operating profit adjusted for non-recurring items reached EUR 13,3 (11,2) million. Non-recurring items totalled EUR -30,6 (-2,6) million. Munksjö has made a commitment to Ahlstrom to pay certain costs arising from the divestiture of some of Ahlstrom's business in Osnabrück, Germany, required by the EU Commission as a condition for regulatory approval. The non-recurring items include an expense of EUR 13,5 million related to said commitment. Other non-recurring items related to the business combination amounted to EUR 16,3 million.

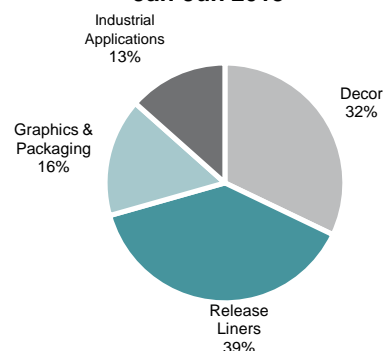
Pro forma II EBITDA adjusted for non-recurring items was EUR 35,2 (40,1) million exclusive of any cost savings or synergy benefits. The operating loss was EUR 17,3 (profit of 8,6) million and net loss EUR 23,9 (profit of 0,9) million.

Second quarter 2013

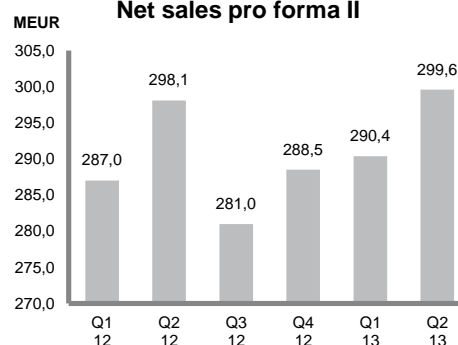
Munksjö's net sales increased to EUR 208,0 (154,1) million, primarily as a result of the completion of the first phase of the business combination and continued growth in volumes. The acquired business contributed an additional EUR 46,9 million to net sales. Pro forma II net sales increased marginally to EUR 299,6 (298,1) million.

Operating profit adjusted for non-recurring items reached EUR 8,3 (5,2) million. Most of the non-recurring items totalling EUR -27,6 (-2,3) million were due to the business combination. Operating loss was EUR 19,3 (profit of 2,9) million.

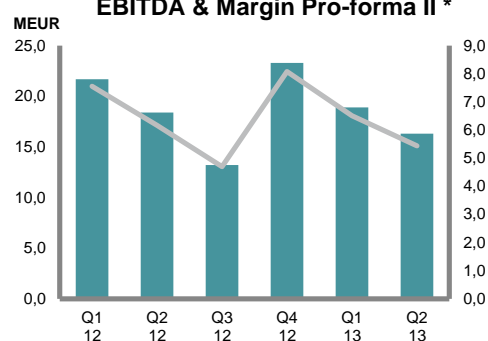
Net sales pro forma II Jan-Jun 2013



Net sales pro forma II



EBITDA & Margin Pro-forma II *



*) Adjusted for non-recurring items

Acquired operations	May 27-Jun
MEUR	2013
Net sales	46,9
EBITDA (adj*)	2,3
EBITDA-margin % (adj*)	4,9
Operating profit (adj*)	0,6
Operating margin % (adj*)	1,3
Operating profit	-1,5
Delivery volumes, tonnes	41 000

*) Adjusted for non-recurring items

Decor business area

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Net sales	95,5	91,3	191,5	178,6	368,4
EBITDA (adj*)	9,4	6,3	19,0	14,6	30,3
EBITDA margin, % (adj*)	9,9	6,9	9,9	8,2	8,2
Operating profit	6,8	3,5	13,5	9,3	19,1
Operating margin, %	7,1	3,8	7,0	5,2	5,2
Operating profit (adj*)	6,8	3,7	13,8	9,6	19,6
Operating margin, % (adj*)	7,2	4,1	7,2	5,4	5,3
Capital expenditure	0,8	0,9	1,6	1,9	4,7
Deliveries, tonnes	45 900	40 900	90 500	79 800	166 500
Employees, FTE	885	914	888	920	911

* Adjusted for non-recurring items

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

First half of 2013

Net sales by the business area during the first half of 2013 reached EUR 191,5 (178,6) million. As in the first quarter, growth was primarily due to the increase in volumes, which mostly took place outside Europe during the second quarter. The increase in sales volumes was inter alia driven by the growing demand for pre-impregnated decor paper (PRIP), which is mostly used in the furniture industry. The patented proprietary PRIP technology has been developed successfully in-house over the past ten years.

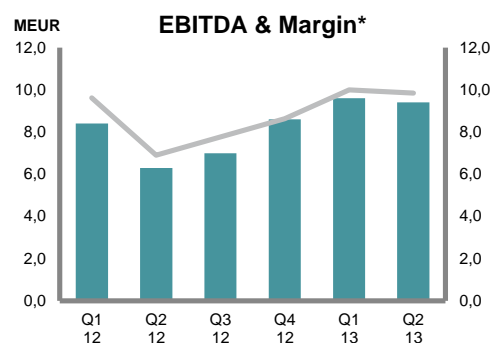
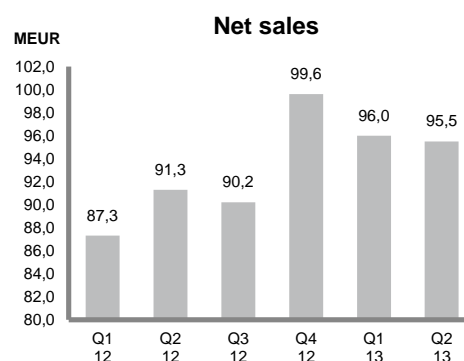
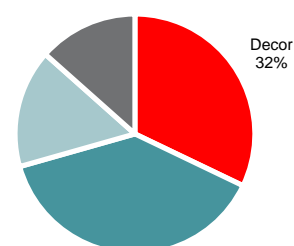
Prices levels remained relatively stable in Europe during the first half although the market prices fell slightly compared to the equivalent period in 2012. Average prices decreased marginally during the first half because of a less favourable product and geographical mix.

EBITDA adjusted for non-recurring items increased to EUR 19,0 (14,6) million. Operating profit adjusted for non-recurring items increased to EUR 13,8 (9,6) million and the operating margin to 7,2% (5,4%). Operating profit was EUR 13,5 (9,3) million with an operating margin of 7,0% (5,2%).

Second quarter 2013

Net sales increased to EUR 95,5 (91,3) million. EBITDA adjusted for non-recurring costs increased to EUR 9,4 (6,3) million. Operating profit adjusted for non-recurring items was EUR 6,8 (3,7) million and operating margin 7,2% (4,1%). The operating profit was EUR 6,8 (3,5) million and operating margin 7,1% (3,8%).

Net sales pro forma II
Jan-Jun 2013



*) Adjusted for non-recurring items

Release Liners business area

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Reported ¹⁾					
Net sales	53,1	24,9	76,5	50,0	98,2
EBITDA (adj*)	4,0	3,3	3,8	4,1	4,8
EBITDA margin, % (adj*)	7,6	13,1	5,0	8,1	4,9
Operating profit	0,1	3,5	-1,9	0,8	-1,8
Operating margin, %	0,2	13,9	-2,5	1,6	-1,9
Operating profit (adj*)	1,1	1,6	-0,9	0,8	-1,8
Operating margin, % (adj*)	2,1	6,3	-1,2	1,6	-1,9
Capital expenditure	1,1	0,2	1,6	0,6	3,3
Deliveries, tonnes	67 000	43 500	111 500	91 600	184 600
Employees, FTE	331	170	249	170	169
Pro forma I (incl. LP Europe) ²⁾					
Net sales	94,1	97,8	184,2	191,1	368,2
EBITDA**	3,7	7,9	7,3	13,0	27,3
Non-recurring items	0,2	0,0	0,2	1,0	1,0
EBITDA** (adj*)	3,9	7,9	7,5	14,0	28,3
Delivery volumes, tonnes	99 900	107 235	204 000	215 515	420 411
Pro forma II (incl. LP Europe and Coated Specialties) ³⁾					
Net sales	118,6	123,1	230,7	241,5	467,2
EBITDA**	4,5	10,2	9,9	17,4	34,2
Non-recurring items	0,2	0,0	0,2	1,5	1,5
EBITDA** (adj*)	4,7	10,2	10,1	18,9	35,7
Delivery volumes, tonnes	126 600	133 223	253 263	266 346	520 882

* Adjusted for non-recurring items

** Does not include stand alone cost savings or synergy benefits as described in the section Pro forma information in the notes to the interim report

1) Includes LP Europe from 27 May, 2013

2) Includes LP Europe from 1 January, 2012

3) Includes LP Europe and Coated Specialties from 1 January, 2012

First half of 2013

The global market for the business area continued to be characterised by intense competition, mainly in Asia, and slack demand in Europe. Faced with this severe competition, Munksjö decided to focus on geographic regions which have more stable price trends.

Net sales increased to EUR 76,5 (50,0) million as a result of the completion of the first phase of the combination with Ahlstrom's Label and Processing business area. The acquired business contributed an additional EUR 26,1 million to net sales. Pro forma II net sales fell to EUR 230,7 (241,5) million.

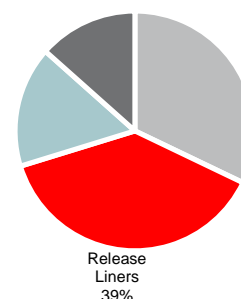
The cost structure for paper production in the business area was adversely affected, particularly by the increased price of short-fibre pulp and energy. Operating profit adjusted for non-recurring items fell to EUR -0,9 (0,8) million and adjusted operating margin to -1,2% (1,6%). Adjusted pro forma II EBITDA was EUR 10,1 (18,9) million. Operating loss was EUR 1,9 (profit of 0,8) million and operating margin -2,5% (1,6%).

Second quarter 2013

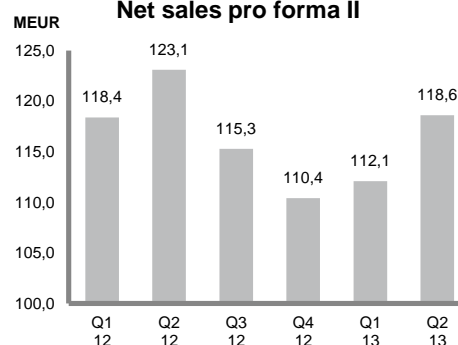
Net sales by the business area increased to EUR 53,1 (24,9) million, primarily as a result of the completion of the first phase of the business combination. Pro forma II net sales fell by 3,6% to EUR 118,6 (123,1) million.

Operating profit adjusted for non-recurring items decreased to EUR 1,1 (1,6) million and adjusted operating margin to 2,1% (6,3%). Adjusted pro forma II EBITDA was EUR 4,7 (10,2) million. Operating profit was EUR 0,1 (3,5) million and operating margin 0,2% (13,9%). Release Liners increased prices during the second quarter.

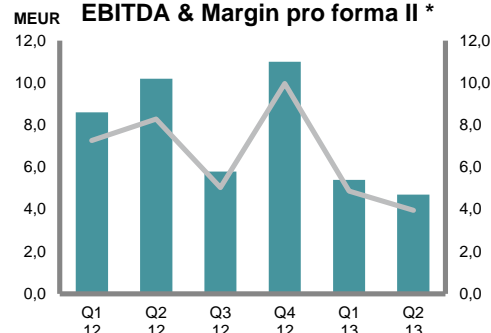
Net sales pro forma II
Jan-Jun 2013



Net sales pro forma II



EBITDA & Margin pro forma II *



*) Adjusted for non-recurring items

Acquired operations 27 May-Jun

MEUR	2013
Net sales	26,1
EBITDA (adj*)	2,0
EBITDA-margin % (adj*)	7,7
Operating profit (adj*)	0,9
Operating margin % (adj*)	3,4
Operating profit	-0,1
Delivery volumes, tonnes	23 600

*) Adjusted for non-recurring items

Industrial Applications business area

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Net sales	42,1	40,6	80,1	77,7	148,2
EBITDA (adj*)	5,0	4,9	8,7	9,2	12,2
EBITDA margin, % (adj*)	12,0	12,2	10,9	11,9	8,2
Operating profit	2,6	3,1	4,4	5,6	4,2
Operating margin, %	6,3	7,7	5,5	7,2	2,9
Operating profit (adj*)	3,1	3,1	4,9	5,6	4,7
Operating margin, % (adj*)	7,5	7,7	6,1	7,2	3,2
Capital expenditure	1,3	1,5	2,0	2,3	5,9
Deliveries, tonnes	21 800	20 500	42 100	39 900	76 100
Employees, FTE	562	570	563	562	568

* adjusted for non-recurring items

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

First half of 2013

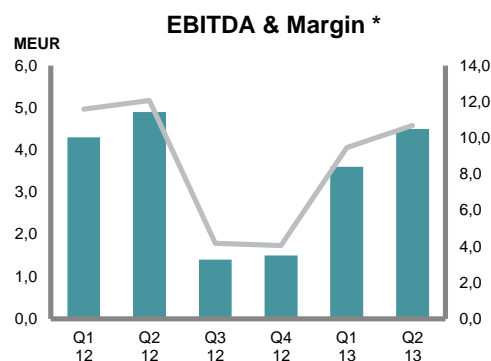
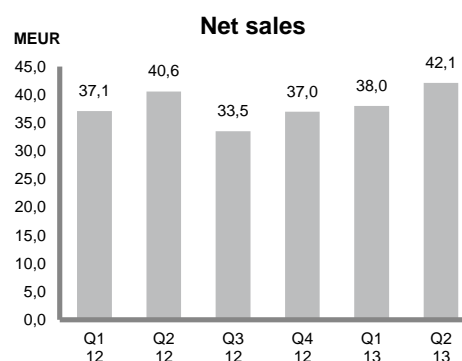
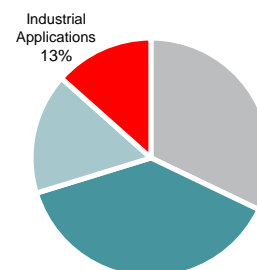
Net sales increased to EUR 80,1 (77,7) million. The increase was mainly due to growing volumes, particularly in abrasive and interleaving papers. Market prices remained stable.

However, the increase in volumes was not fully reflected in the financial performance because of a less favourable product mix and thus lower average prices. EBITDA adjusted for non-recurring items was EUR 8,7 (9,2) million. Operating profit adjusted for non-recurring items fell to EUR 4,9 (5,6) million and adjusted operating margin to 6,1% (7,2%). Operating profit was EUR 4,4 (5,6) million and operating margin 5,5% (7,2%).

Second quarter 2013

Net sales increased to EUR 42,1 (40,6) million. EBITDA adjusted for non-recurring items was EUR 5,0 (4,9) million. Operating profit adjusted for non-recurring items was EUR 3,1 (3,1) million and operating margin 7,5% (7,7%). Operating profit fell to EUR 2,6 (3,1) million and operating margin to 6,3% (7,7%).

Net sales pro forma II Jan-Jun 2013



*) Adjusted for non-recurring items

Graphics and Packaging business area

MEUR	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Reported ¹⁾					
Net sales	20,8	-	20,8	-	-
EBITDA (adj*)	0,3	-	0,3	-	-
EBITDA margin, % (adj*)	1,4	-	1,4	-	-
Operating profit	-1,4	-	-1,4	-	-
Operating margin, %	-6,7	-	-6,7	-	-
Operating profit (adj*)	-0,3	-	-0,3	-	-
Operating margin, % (adj*)	-1,4	-	-1,4	-	-
Capital expenditure	0,2	-	0,2	-	-
Deliveries, tonnes	17 400	-	17 400	-	-
Employees, FTE	152	-	76	-	-
Pro forma I & II ²⁾					
Net sales	47,0	45,8	94,3	91,9	178,4
EBITDA**	-0,6	0,3	1,2	1,0	2,6
Non-recurring items	0,0	0,0	0,0	1,1	1,1
EBITDA** (adj*)	-0,6	0,3	1,2	2,1	3,7
Delivery volumes, tonnes	40 700	37 457	79 302	74 199	142 289

* adjusted for non-recurring items

** Does not include stand-alone cost savings or synergy benefits as described in the section Pro forma information in the notes to the interim report

1) Includes LP Europe from 27 May, 2013

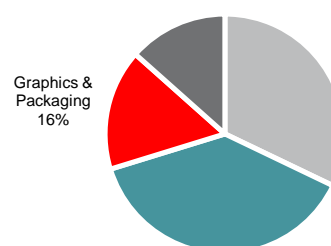
2) Includes LP Europe from 1 January, 2012, Coated Specialties does not impact this business area.

First half and second quarter 2013

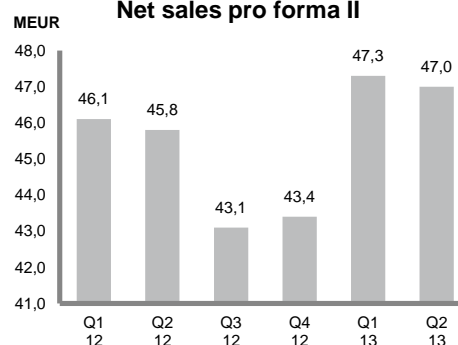
Demand showed no signs of growth during the first half of the year in the business area's largest geographic markets. Net sales increased in the second quarter to EUR 20,8 million. Pro forma II sales increased to EUR 47,0 (45,8) million during the first half year and to EUR 94,3 (91,9) million during the first half year and to EUR 47,0 (45,8) million during the second quarter.

Adjusted pro forma II EBITDA was EUR 1,2 (2,1) million in the first half year. EBITDA adjusted for non-recurring items was EUR 0,3 million. Operating loss for the first half year was EUR 1,4 million. The loss was mainly due to a less favourable product and geographical mix. At the end of the second quarter, Graphics and Packaging announced price increases. A programme to substantially improve profitability in the business area is currently under preparation for deployment during the third quarter.

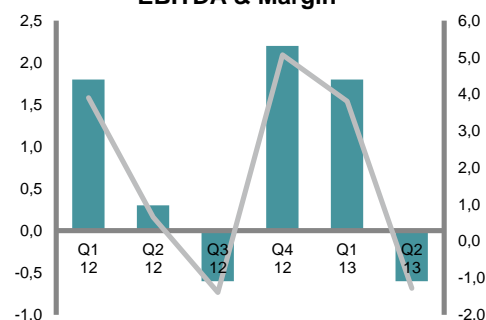
Net sales pro forma II
Jan-Jun 2013



Net sales pro forma II



EBITDA & Margin *



*) Adjusted for non-recurring items

Acquired operations	27 May-Jun
MEUR	2013
Net sales	20,8
EBITDA (adj*)	0,3
EBITDA-margin % (adj*)	1,4
Operating profit (adj*)	-0,3
Operating margin % (adj*)	-1,4
Operating profit	-1,4
Delivery volumes, tonnes	17 400

*) Adjusted for non-recurring items

▲ Balance sheet, financing, cash flow and taxes

In connection with the business combination described above in the section 'Forming a global leader in specialty paper – combining Munksjö AB with Ahlstrom's Label and Processing business area', Munksjö Oyj in May 2013 entered into a EUR 365 million Term and Revolving Facilities Agreement.

The facilities consist of EUR 295 million term loan facilities to provide financing for the repayment of certain existing loans of Munksjö AB to credit institutions and for the repayment of the debt assumed by Munksjö Oyj towards Ahlstrom in connection with the LP Europe demerger, and EUR 70 million revolving credit facility to provide working capital financing for Munksjö Oyj and its subsidiaries. At 30 June, 2013, EUR 315 million of the total facilities of EUR 365 million had been utilised.

EUR 100 million of the term loan facility has bi-annual repayments of EUR 10 million commencing December 2013 and finishing March 2018. The remaining EUR 195 million is also repayable in March 2018. If the Coated Specialties demerger and the following combination do not occur before 30 June, 2014, Munksjö Oyj will be required to repay EUR 40 million, however Ahlstrom has undertaken to provide the funds for such a possible prepayment.

The interest payable under the facilities agreement depends on the ratio of consolidated senior net debt to consolidated EBITDA of the Group. Currently, the weighted average interest rate is approximately 4,2%.

As a consequence of the net debt adjustment mechanism agreed upon in the business combination, Munksjö AB's shareholders received a net debt compensation amounting to EUR 11,5 million. The shareholders of Munksjö AB agreed that the net debt compensation amount would be invested in a directed share issue of Munksjö Oyj, whereby Munksjö AB subscribed and paid for new shares in Munksjö Oyj. Munksjö AB following the receipt of the new shares in Munksjö Oyj distributed the new shares to its shareholders in the form of a dividend in kind.

Ahlstrom, EQT III Limited through Munksjö Luxembourg Holding S.à.r.l. and the institutional investors, made equity investments in Munksjö Oyj's directed share issue of EUR 128,5 million divided between the investors as follows: Ahlstrom EUR 78,5 million, EQT III Limited EUR 25,0 million, Varma Mutual Pension Insurance Company EUR 6,25 million and Ilmarinen Mutual Pension Insurance Company EUR 18,75 million.

Summary of financing activities

	MEUR
Dividends to Munksjö AB shareholders	-11,5
Proceeds from directed share issue	128,5
Cost of share issue	-6,2
Proceeds from facilities agreement	315,0
Cost of new borrowings (excluding legal fees)	-9,6
Repayment of LP Europe debt	-154,3
Repayment of Munksjö AB borrowings	-264,3

Interest-bearing net debt amounted to EUR 268,2 million at 30 June, 2013 (30 June, 2012: 249,7 31 December, 2012: 217,3), resulting in a gearing of 68,9% (30 June, 2012: 119,9%, 31 December, 2012: 108,9%). As the balance sheet per 30 June, 2013 does not include the assets related to the Coated Specialties business, the pro forma II-gearing including all assets and liabilities related to Coated Specialties would be approximately 10 per cent lower than the reported gearing.

Shareholders' equity at the end of the second quarter amounted to EUR 389,1 million (30 June, 2012: 208,2, 31 December, 2012: 199,5) and total assets increased to EUR 1 120,9 million (30 June, 2012: 687,0, 31 December, 2012: 679,0). The increase in equity and assets is mainly related to the business combination.

Net financial items

Net financial items amounted to EUR -10,4 (-6,5) million of which EUR 2,1 million relates to the expensing of capitalised bank fees related to the existing Munksjö AB borrowings and EUR 0,8 million relating to the new facilities of Munksjö Oyj. A further EUR 9,7 million of fees related to the new facilities have been capitalised and will be amortised over the duration of these facilities. The net financial cost for the period includes realised losses on interest rate swaps of EUR -0,1 (-1,6) million. At the end of the second quarter, the fair value of unrealised interest rate swaps amounted to EUR 0,5 (-2,1) million.

Hedging

Munksjö Oyj is hedging part of its future expected net cash flow in foreign currencies. Hedging activities are managed centrally and reported in segment 'other'.

At the end of the quarter the market value of unrealised currency hedges amounted to EUR -1,1 (-0,2) million. The operating profit for January to June 2013 includes realised currency hedges of EUR 0,0 (-0,3) million. The value of the unrealised electricity hedges was EUR -0,5 (-0,6) million at the end of the quarter. During the first six months of 2013 realised electricity hedges of EUR -0,1 (-0,5) million were recognised in operating profit. At the end of Q2, Munksjö Oyj had unrealised pulp hedges amounting to EUR -0,2 (-1,1) million. The pulp hedges had a EUR 0,0 (-0,7) million effect on operating profit of during the first half of 2013.

Capital expenditure

Capital expenditure in the period amounted to EUR 6,8 million (4,7) and was mainly related to current investments. The largest recent investment project has been a wet pulp loading station and conveyer system in the Aspa pulp mill. The investment has enabled Aspa to receive pulp from Billingsfors leading to better capacity utilisation in Billingsfors, and lower production cost per tonnes. The construction commenced at the end of 2012 and was completed in May 2013.

Taxes

The income tax benefit for the six month period ended was EUR 3,8 (-1,2) million, representing an effective rate of 14%. The benefit is a function of losses in local jurisdictions. The low rate is mainly due to the significant level of non-deductible expenses related to the combination as described in the Business Combination section of this report.

Company structure and Management Team

Muncksjö is organised in four business areas and five group functions. The Business Areas are Decor, Release Liners, Industrial Applications and Graphics and Packaging. The five group functions include Finance, Human Resources and Communications, Strategic Development, Legal and Sales Offices.

The Management Team consists of the CEO, functional managers and managers of the various business areas. The members of the Management Team are nominated by the CEO and appointed by the Board of Directors. The members of the Management Team report to the CEO.

The management team consists of;

Jan Åström	President and CEO
Kim Henriksson	Executive Vice President and Chief Financial Officer
Daniele Borlatto	Executive Vice President and President Release Liners
Åsa Fredriksson	Senior Vice President HR and Communications
Anna Bergquist	Senior Vice President Strategic Development
Gustav Adlercreutz	Senior Vice President and General Counsel
Christian Mandl	Business Area Manager Manufacturing Decor
Norbert Mix	Business Area Manager Sales and Marketing Decor
Dan Adrianzon	President Industrial Applications
Roland Le Cardiec	President Graphics and Packaging

Complete profiles of the members of the Management Team are available at www.muncksjo.com.

Employees

The average number of employees (FTE's) in the second quarter was 1 970 (1 684). The reported number is a calculated average with only one month of the combined business entities included. At the end of June 2013, Muncksjö had 2 719 (1 786) employees and the average number of employees (FTE's) for June was 2 594 (1 689).

Of Muncksjö's total number of employees at the end of the second quarter 40% (28%) were employed in France, 23% (35%) in Sweden, 18% (26%) in Germany, 11% (0%) in Italy, 6% (9%) in Spain and 2% (2%) in other countries.

Risks and uncertainty factors

Muncksjö 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 materialization of such risks could have an adverse effect on Muncksjö's operations, earnings and financial position.

Muncksjö's significant risks and uncertainty factors mainly consist of developments in demand and prices of products sold, the cost of significant raw materials, changes in currency exchange rates and the general business environment including developments on the financial markets. Muncksjö may also have difficulties integrating the businesses of Muncksjö AB and Ahlstrom's Label and Processing business and the expected benefits and synergies of the business combination may not realise.

Muncksjö's key operational and strategic risks are the possible volatility or increases in raw material prices and energy costs as well as availability of materials and energy. The Group's most significant cost items are wood, pulp, titanium dioxide and energy. Muncksjö's key financial risks include interest rate and currency risks, liquidity risk and credit risk. On Group level, the most significant risks relate to changes in exchange and interest rates. The Swedish units are more exposed to currency fluctuations due to the majority of their revenues transacted in currencies other than the Swedish krona.

For a more detailed description of the Group's risks and uncertainty factors, see the summary and securities notes published 17 May, 2013 and 28 June, 2013 respectively, together with the registration document published on 16 November, 2012 available at <http://www.munksjo.com/munksjo-a-new-global-specialty-paper-company-is-created/>.

▲ Authorisations to repurchase and distribute the company's own shares

On 13 May, 2013 the shareholders of Munksjö resolved on the following issues.

Authorisation to repurchase own shares

The Board of Directors was authorised to repurchase at maximum 600 000 own shares of the company, however taking into account the provisions of the Finnish Companies Act concerning the maximum amount of own shares held by the company. The own shares may be repurchased in one or several instalments by using the invested unrestricted equity of the company. The authorisation is valid until 30 June, 2014.

The shares may be repurchased otherwise than in proportion to the shareholders' holdings in the company through public trading in NASDAQ OMX Helsinki Ltd at the prevailing market price. The shares will be repurchased and paid in accordance with the rules and guidelines of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The company's own shares may be repurchased for the development of the Company's capital structure, for consideration used in acquisitions or industrial reorganisations, for financing acquisitions of assets related to the company's business and as part of the incentive plan of the company as well as otherwise for further distribution, holding by the company or for annulment. The Board of Directors shall resolve on all other terms and conditions for the repurchase of own shares.

Current authorisation for a share issue

The Board of Directors was authorised to resolve on the issuance of at maximum 600 000 new shares of the company or own shares held by the company in a share issue as described below. The authorisation may be used in one or several instalments either against consideration or without consideration. The authorisation is valid until 30 June, 2014.

The Board of Directors is authorised to resolve on to whom and in which order the shares will be issued. The Board of Directors may decide on the issuance of shares in deviation from the shareholders' pre-emptive rights. The Board of Directors may use the authorisation for the development of the company's capital structure, for consideration used in acquisitions or industrial reorganisations, for financing acquisitions of assets related to the company's business or as a part of the incentive plan of the company. The shares may be conveyed also through public trading. The Board of Directors shall be authorised to resolve on all other terms and matters relating to the share issue in the same way as the General Meeting of shareholders would be entitled to decide.

Used authorisation for a share issue

The Board of Directors was authorized to resolve on the issuance of at maximum 28 000 000 new shares of the company in a share issue as described below. The authorisation may be used in one or several instalments either against consideration or without consideration. The Board of Directors is authorised to resolve on to whom and in which order the shares will be issued. The Board of Directors may decide on the issuance of shares in deviation from the shareholders' pre-emptive rights. The Board of Directors shall be authorised to resolve on all other terms and matters relating to the share issue in the same way as the General Meeting of shareholders would be entitled to decide.

The authorisation was valid until 30 June, 2013 and was used on 24 May, 2013 as part of the completion of the first phase of the combination of Munksjö AB and Ahlstrom's Label and Processing business. For further details, see Munksjö's stock exchange release published on 24 May, 2013.

▲ Approval of demerger and demerger plan related to Coated Specialties

The Board of Directors of Munksjö Oyj on 13 May, 2013 signed a new demerger plan, according to which all the assets and liabilities that belong to Ahlstrom's Label and Processing business in Brazil (Coated Specialties) will be transferred to Munksjö Oyj through a partial demerger. The previous demerger plan concerning Coated Specialties was cancelled due to the fact that the conditions for implementing the demerger were not fulfilled prior to the expiration of the decision made by Ahlstrom's Extraordinary General Meeting on 27 November, 2012.

In accordance with the Coated Specialties demerger plan, the shareholders of Munksjö Oyj, resolved on 17 May, 2013, on the date of implementation of the demerger, to issue new shares for the payment of the demerger consideration for Coated Specialties. Pursuant to the demerger plan, the shareholders of Ahlstrom Corporation shall, in connection with the implementation of the demerger, receive a demerger consideration as described in this interim report in the section titled 'Shares and shareholders'. No demerger consideration will be paid on the basis of own shares held by Ahlstrom Corporation. The shareholders further resolved to approve the above mentioned partial demerger and to approve the Coated Specialties demerger plan, as proposed and approved by the Board of Directors. The shareholders also authorised the Board of Directors to decide on any other matter

related to the implementation of the demerger, including notification of the final number of shares issued as demerger consideration, as well as to take all other measures required for the implementation of the demerger.

▲ Shares and shareholders

The trading in Munksjö Oyj's shares commenced on the Helsinki Stock Exchange (NASDAQ OMX Helsinki Ltd) on 7 June, 2013 under the trading symbol MUNK1. All shares carry one vote each and have equal rights.

Munksjö Oyj's Board of Directors on 24 May, 2013, based on the authorisation by the shareholders of Munksjö Oyj on 13 May 2013 and as part of the completion of the combination of Munksjö AB and Ahlstrom's Label and Processing business, resolved to issue in the aggregate 12 306 807 new shares to the shareholders of Munksjö AB against the transfer of all of the shares in Munksjö AB to the company. The Board of Directors also, based on the same authorisation, resolved to issue in the aggregate 14 865 357 new shares to Ahlstrom Corporation, Munksjö Luxembourg Holding S.à r.l. (EQT), Munksjö AB, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company.

Further, a total of 11 597 326 new shares in Munksjö Oyj were issued as demerger consideration to Ahlstrom's shareholders in connection to the execution of the first phase of the combination. Following the registration of the new shares issued in connection with the demerger and the other share issues as described above, the share capital of Munksjö Oyj amounts to EUR 15 000 000 and the total number of shares to 38 769 590. Munksjö does not hold any own shares.

For the reported trading period consisting of 15 trading days, the volume of trades on the Helsinki Stock Exchange was 124 851 shares, equivalent to a turnover of EUR 741 934. The daily average trading volume was 8 323 shares and the volume weighted average share price was EUR 5,94. On the last trading day of the reported trading period, 28 June, 2013, the share price was EUR 5,50 and the corresponding market capitalisation was EUR 213 million.

Munksjö Oyj's largest shareholder is Munksjö Luxembourg Holding S.à r.l., the parent company of which is EQT's fund EQT III, that at the end of the second quarter 2013 held 32,1% of all shares and votes. Information regarding the largest shareholders of Munksjö is regularly updated on the Investor website at www.munksjo.com.

▲ Board Committees elected and Nomination Board appointed

The Board of Directors of Munksjö Oyj has established an Audit Committee and a Remuneration Committee to assist the Board in its operations. Further, the Board has in June 2013 elected Fredrik Cappelen as the Deputy Chairman of the Board.

Board Committees

The primary task of the Audit Committee is to assist the Board in fulfilling its supervisory responsibilities and prepare certain accounting and auditing matters to be handled by the Board. In June 2013, the Board of Directors decided that the Audit Committee consists of the following three members: Elisabet Salander Björklund (chairman), Jarkko Murtoaro and Sebastian Bondestam.

The Remuneration Committee's principal task is to assist the Board in the efficient preparation and handling of the matters pertaining to the appointment and dismissal of the CEO and other executives and their remuneration. In June 2013, the Board of Directors decided that the Remuneration Committee consists of the following three members: Peter Seligson (chairman), Fredrik Cappelen and Hannele Jakosuo-Jansson.

Nomination Board

On 13 May, 2013 the shareholders of Munksjö Oyj unanimously resolved to establish a Nomination Board for an indefinite period to prepare proposals to the Annual General Meeting 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 Nomination Board comprises representatives of the three largest shareholders of the company and, in addition, of the Chairman of the Board and a person nominated by the company's Board of Directors as expert members.

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 Annual General Meeting the largest on the basis of the shareholders' register of Munksjö held by Euroclear Finland. Holdings by a group of shareholders, who have agreed to nominate a joint representative to the Nomination Board, will be 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 Annual General Meeting. Munksjö has been informed that such an agreement has been made by the following five shareholders; Antti Ahlström Perilliset Oy, Johan Gullichsen, Monica Koivulehto, Andreas Ahlström and Carl Ahlström.

The Nomination Board has been appointed by the following three shareholders: Munksjö Luxembourg Holding S.à.r.l. (EQT), Ilmarinen Mutual Pension Insurance Company and the group of five shareholders together, as described above. These shareholders have appointed the following three persons as their representatives in the Nomination Board: Caspar Callerström (EQT), Timo Ritakallio (Ilmarinen Mutual Pension Insurance Company) and Thomas Ahlström (Antti Ahlström Perilliset Oy and others). 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.

The Chairman of the Board Peter Seligson will act as one expert member of the Nomination Board in addition to which the Board has elected Fredrik Cappelen as a second expert member of the Nomination Board. The Nomination Board has among its members elected Caspar Callerström as Chairman.

▲ 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.

▲ Events after the end of the reporting period

Demerger of Label and Processing business in Brazil approved by Ahlstrom's EGM

On 4 July, 2013 the Extraordinary General Meeting convened by Ahlstrom Corporation resolved to approve the demerger of the Label and Processing business in Brazil (Coated Specialties) in accordance with the demerger plan. Munksjö Oyj's and Ahlstrom Corporation's Board of Directors signed a new demerger plan related to Coated Specialties on 13 May, 2013 and cancelled the previous demerger plan. The previous demerger plan was cancelled as not all the relevant regulatory approvals were received before the expiration of the decision made by Ahlstrom's Extraordinary General Meeting on 27 November, 2012.

Stockholm, 22 August, 2013

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

Munksjö will publish financial information in 2013 and 2014 as follows:

Interim report January-September	19 November, 2013
Full year report 2013	13 February, 2014

Unaudited interim financial statements

Condensed statement of comprehensive income					
MEUR	April - June		January - June		Full year
	2013	2012*	2013	2012*	2012*
Net sales	208,0	154,1	362,5	301,7	607,1
Other operating income	1,4	0,9	1,9	1,6	2,7
Total operating income	209,4	155,0	364,4	303,3	609,8
Operating costs					
Changes in inventories	2,8	2,0	8,9	8,8	-7,8
Materials and supplies	-108,4	-81,8	-190,8	-162,2	-311,3
Other external costs	-75,2	-35,6	-115,5	-69,6	-142,3
Personnel costs	-39,8	-30,2	-69,9	-59,5	-115,5
Depreciation and amortisation	-8,2	-6,2	-14,7	-12,2	-25,4
Total operating costs	-228,8	-151,8	-382,0	-294,7	-602,3
Share of profit in equity accounted investments	0,1	-0,3	0,3	0,0	0,0
Operating profit	-19,3	2,9	-17,3	8,6	7,5
Net financial items	-7,1	-2,2	-10,4	-6,5	-16,3
Profit before tax	-26,4	0,7	-27,7	2,1	-8,8
Taxes	4,4	-0,7	3,8	-1,2	-1,6
Net profit	-22,0	0,0	-23,9	0,9	-10,4
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations for the period	-3,9	-0,9	-2,3	0,6	3,5
Change in cash flow hedge reserve	-1,7	-2,7	-0,6	0,7	4,0
Cash flow hedge transferred to this year's result	-0,1	1,8	-0,2	3,0	3,1
Items that will not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans					-3,8
Tax attributable to other comprehensive income	0,4	0,3	0,2	-0,9	-0,7
Comprehensive income	-27,3	-1,5	-26,8	4,3	-4,3
Net profit attributable to:					
Parent company's shareholders	-22,1	0,0	-24,0	0,6	-11,0
Non-controlling interests	0,1	0,0	0,1	0,3	0,6
Comprehensive income attributable to:					
Parent company's shareholders	-27,4	-1,5	-26,9	4,0	-4,9
Non-controlling interests	0,1	0,0	0,1	0,3	0,6
<i>Average number of outstanding shares</i>	22 484 800	12 306 807	17 423 920	12 306 807	12 306 807
<i>Earnings per share, EUR</i>	-1,0	0,0	-1,4	0,0	-0,9
<i>There were no dilutive effects</i>					

* The comparative figures have been restated due to the change in presentation currency from Swedish krona to Euro.

Condensed statement of financial position			
MEUR	June 30,		December 31,
	2013	2012*	2012*
ASSETS			
Non-current assets			
Tangible assets	409,7	236,5	236,4
Goodwill	225,1	155,5	155,8
Other intangible assets	37,4	11,9	10,7
Equity accounted investments	14,6	2,2	2,2
Other non-current assets	1,9	1,5	2,0
Deferred tax assets	47,7	38,1	27,8
Total non-current assets	736,4	445,7	434,9
Current assets			
Inventory	148,7	109,1	90,5
Accounts receivable	154,9	92,1	80,6
Other current assets	25,9	13,0	11,5
Current tax assets	2,4	3,4	4,4
Cash and cash equivalents	52,6	23,7	57,1
Total current assets	384,5	241,3	244,1
TOTAL ASSETS	1 120,9	687,0	679,0
EQUITY AND LIABILITIES			
Equity			
	389,1	208,2	199,5
Non-current liabilities			
Non-current borrowings	280,3	258,6	259,6
Other non-current liabilities	1,1	2,2	1,9
Pension obligations	47,7	31,4	35,7
Deferred tax liabilities	68,0	36,6	27,6
Provisions	26,3	10,3	10,2
Total non-current liabilities	423,4	339,1	335,0
Current liabilities			
Current borrowings	40,5	14,8	14,8
Accounts payable	142,3	58,0	69,6
Liabilities to equity accounted investments	10,0	5,0	10,1
Accrued expenses and deferred income	101,8	50,9	42,0
Current tax liabilities	2,3	4,7	1,3
Other current liabilities and provisions	11,5	6,3	6,7
Total current liabilities	308,4	139,7	144,5
Total liabilities	731,8	478,8	479,5
TOTAL EQUITY AND LIABILITIES	1 120,9	687,0	679,0

* The comparative figures have been restated due to the change in presentation currency from Swedish krona to Euro.

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 2012 MSEK*	74	-	4 162	-151	-2 291	1 794	31	1 825
Balance at 1 Jan 2012 MEUR *	7,7	-	394,9	4,6	-206,5	200,7	3,5	204,2
Profit for the period		-			0,6	0,6	0,3	0,9
Other comprehensive income		-	2,8	0,6		3,4		3,4
Total comprehensive income	0,0	0,0	2,8	0,6	0,6	4,0	0,3	4,3
Dividends	-	-	-	-	-	0,0	-0,3	-0,3
Balance at 30 June 2012	7,7	0,0	397,7	5,2	-205,9	204,7	3,5	208,2
Profit for the period	-	-	-	-	-11,6	-11,6	0,2	-11,4
Other comprehensive income	-	-	2,5	2,9	-2,7	2,7	-	2,7
Total comprehensive income	0,0	0,0	2,5	2,9	-14,3	-8,9	0,2	-8,7
Balance at 31 December 2012	7,7	0,0	400,2	8,1	-220,2	195,8	3,7	199,5
Profit for the period	-	-	-	-	-24,1	-24,1	0,2	-23,9
Other comprehensive income	-	-	-0,6	-2,3	-	-2,9	-	-2,9
Total comprehensive income	0,0	0,0	-0,6	-2,3	-24,1	-27,0	0,2	-26,8
Dividends to Munksjö AB shareholders	-	-	-11,5	-	-	-11,5	-0,4	-11,9
Munksjö reorganisation and share issue to acquire LP Europe	7,3	98,7	-	-	-	106,0	-	106,0
Directed share issue	-	128,5	-	-	-	128,5	-	128,5
Share exchange and listing costs	-	-6,2	-	-	-	-6,2	-	-6,2
Balance at 30 June 2013	15,0	221,0	388,1	5,8	-244,3	385,6	3,5	389,1

* The comparative figures have been restated due to the change in presentation currency from Swedish krona to Euro.

Condensed consolidated statement of cash flows			
MEUR	January – June		Full year
	2013	2012*	2012*
Cash generated from operations	13,7	18,0	71,0
Income taxes paid	-2,6	-1,1	-4,4
Interest paid and received	-5,9	-5,7	-11,5
Cash flow from operating activities	5,2	11,1	55,1
Purchase of intangible assets	-1,0	0,0	-0,8
Purchase of tangible assets	-5,8	-4,7	-14,0
Cash flow from investing activities	-6,8	-4,7	-14,8
Dividends paid by Munksjö AB	-11,9	-0,3	-0,3
Proceeds from share issue	128,5	-	-
Cost of share issue	-6,2	-	-
Proceeds from Munksjö Oyj borrowings	315,0	-	-
Costs of new borrowings	-9,6	-	-
Repayment of acquired entities' borrowings to Ahlstrom	-154,3	-	-
Repayment of Munksjö AB borrowings	-264,3	-0,3	-1,3
Cash flow from financing activities	-2,8	-0,7	-1,6
CASH FLOW FOR THE PERIOD	-4,4	5,7	38,7
Cash and cash equivalents at the beginning of the period	57,1	18,0	18,0
Currency effects on cash and cash equivalents	-0,1	0,0	0,4
Cash and cash equivalents at the end of the period	52,6	23,7	57,1

* The comparative figures have been restated due to the change in presentation currency from Swedish krona to Euro.

▲ 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 2012 Annual Report of Munksjö AB except that the presentation currency has changed from SEK to EUR and the following standards or amendments have been adopted as of 1 January 2013.

As explained in the business combination note, Munksjö AB has been identified as the acquirer for accounting purposes. Accordingly, in Munksjö Oyj’s consolidated financial statements, the share exchange between Munksjö Oyj and the shareholders of Munksjö AB is accounted for as a reorganisation of Munksjö AB and Munksjö AB’s net assets are recorded at predecessor carrying amounts with the historical comparatives of Munksjö AB presented for all periods. As Munksjö Oyj is the new parent and listed company the presentation currency has been changed from Swedish krona to Euro. The choice of presentation currency represents an accounting policy and any change should be applied retrospectively in accordance with IAS 8. The exchange differences on translation of foreign operations recognised in other comprehensive income and the statement of changes in equity in this interim report have been prepared as if the EUR had always been the presentation currency.

IAS 19, ‘Employee benefits’ was amended in June 2011 and is effective for annual periods beginning on or after 1 January 2013. The amendment abolished the use of the corridor method. All actuarial gains and losses must be reported in Other Comprehensive Income “OCI” as they occur; all past service costs are to be recognised immediately; and interest cost and expected return on plan assets has been replaced by a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The amendment had an immaterial impact on the Group as the existing defined benefit pension Group accounting policy did not use the corridor method and actuarial gains and losses were recognised in OCI. The majority of defined benefit plans are unfunded therefore the impact of calculating expected return on plan assets at the same interest rate applied to discounting the liability was immaterial.

IFRS 13, ‘Fair Value Measurement’ replaces the fair value measurement guidance in the individual standards with a single source of fair value measurement and disclosure requirement guidance. The adoption of the standard had no impact on the reported information of the group.

Amendment to ‘IAS 1 Presentation of Financial Information’ changed the grouping of items in other comprehensive income so that items that may be reclassified to profit and loss at a future point in time are presented separately from items that will never be reclassified.

Segment reporting

Munksjö’s business is organised in four business areas: Decor, Release Liners, Industrial Applications and Graphics and Packaging. As a result of the business combination described in the Business Combinations note the previously reported business segments have been restated to reflect the new management structure. Decor and Industrial Applications remain unchanged, however Specialty pulp which for Munksjö AB was reported separately is now reported as part of Release Liners. The principal markets in which they operate are described below.

Decor

The products of Decor business area include Decor Paper and Pharmaceutical Leaflet Paper. Decor Paper is used in furniture, kitchen laminate, flooring and interior/exterior architecture. Pharmaceutical leaflet papers are thin, light-weight papers used by the pharmaceutical and cosmetics industries.

Release Liners

The products of Release Liners business area include Release Papers, Coated Specialties and Pulp. Release Papers are used as a carrier of different pressure sensitive adhesives labels and materials, which are mainly used in areas of, inter alia, retail and pricing labelling, for office labelling, and a broad range of self-adhesive tapes and materials for graphic or industrial applications. The business area incorporates Specialty pulp which previously was reported as a separate segment and will also include the Brazilian operation, Coated Specialties, which following the Coated Specialties Demerger will serve the South American market with self-adhesive products and flexible packaging.

Industrial Applications

The products of Industrial Applications include specialty papers for industrial use. Examples of products include Abrasive Backings for the production of coated abrasive products to be used to sand or polish materials in many industrial sectors such as automotive, furniture, wood, metal and building/construction industries, Electrotechnical Paper for insulation of transformers, bushings and cables, Spantex® balancing foils for veneer to be used in wood-based panels, Thin Paper for protection in the stainless steel, aluminium and glass industries and Fine Art Paper used for, inter alia, watercolour painting and digital printing.

Graphics and Packaging

The products of Graphics and Packaging include Flexible Packaging Paper, Metalizing Paper and Graphics & Industrial Paper. Flexible Packaging Paper is used in manufacturing of packaging, mainly in the food industry. Metalizing Paper is mainly used in labels for, inter alia, beverages, primarily beer and other alcoholic drinks and in tobacco package inner liner. Graphics & Industrial Papers refer mainly to uncoated papers for repositionable notes, thermal base paper, interleaving paper, envelope windows and other graphic papers.

Segment information 2013

Jan-June 2013		Release	Industrial	Graphics and	Others and	
MEUR	Decor	Liners	Applications	Packaging	eliminations	Total
Net sales, external	191,2	72,7	77,8	20,8		362,5
Net sales, internal	0,3	3,8	2,3		-6,4	0,0
Net sales	191,5	76,5	80,1	20,8	-6,4	362,5
Operating profit/loss	13,5	-1,9	4,4	-1,4	-31,9	-17,3
Operating margin, %	7,0	-2,5	5,5	-6,7		-4,8
Net financial items						-10,4
Taxes						3,8
Net profit						-23,9
Other information						
Capital expenditure	1,6	1,6	2,0	0,2	1,4	6,8
Depreciation	5,2	4,7	3,8	0,6	0,4	14,7
Employees, FTE	888	249	563	76	38	1 814

Segment information 2012

Jan-June 2012		Release	Industrial	Graphics and	Others and	
MEUR	Decor	Liners	Applications	Packaging	eliminations	Total
Net sales, external	177,9	47,9	75,9			301,7
Net sales, internal	0,7	2,1	1,8		-4,6	0,0
Net sales	178,6	50,0	77,7	0,0	-4,6	301,7
Operating profit/loss	9,3	0,8	5,6	0,0	-7,2	8,6
Operating margin, %	5,2	1,6	7,2			2,9
Net financial items						-6,5
Taxes						-1,2
Net profit/loss						0,9
Other information						
Capital Expenditure	1,9	0,6	2,2	0,0	0,0	4,7
Depreciation	5,1	3,3	3,6	0,0	0,2	12,2
Employees, FTE	920	170	562	0,0	31	1 683

Segment financial information by quarter

	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
	2013	2013	2012	2012	2012	2012	2011	2011
Net sales, MEUR								
Decor	95,5	96,0	99,7	90,2	91,3	87,3	92,4	94,8
Release Liners	53,1	23,4	24,4	23,8	24,9	25,1	22,9	22,7
Industrial Applications	42,1	38,0	37,0	33,5	40,6	37,1	38,8	37,5
Graphics and Packaging	20,8	-	-	-	-	-	-	-
Other and eliminations	-3,5	-2,9	-1,9	-1,1	-2,7	-1,9	-1,3	-0,3
Group	208,0	154,5	159,2	146,4	154,1	147,6	152,8	154,6
EBITDA (adjusted), MEUR								
Decor	9,4	9,6	8,7	7,0	6,3	8,4	7,0	4,7
Release Liners	4,0	-0,2	-1,4	2,1	3,3	0,8	-2,4	5,5
Industrial Applications	5,0	3,7	1,5	1,4	4,9	4,3	3,6	2,5
Graphics and Packaging	0,3	-	-	-	-	-	-	-
Other and eliminations	-2,4	-1,4	0,0	-0,4	-3,1	-1,5	-0,8	-1,8
Group	16,5	11,5	8,8	10,1	11,3	12,0	7,6	11,0
EBITDA, MEUR								
Decor	9,4	9,3	8,3	7,0	6,1	8,4	6,7	4,4
Release Liners	3,0	-0,2	-1,4	2,1	3,3	0,8	-2,4	5,5
Industrial Applications	4,5	3,7	1,3	1,2	4,9	4,3	3,6	2,8
Graphics and Packaging	-0,8	-	-	-	-	-	-	-
Other and eliminations	-27,3	-4,2	-1,6	-4,8	-5,2	-1,8	-3,0	-3,1
Group	-11,1	8,5	6,6	5,5	9,1	11,6	5,0	9,6
Operating profit/loss (adjusted), MEUR								
Decor	6,8	7,0	5,6	4,5	3,7	5,9	4,6	2,2
Release Liners	1,1	-2,0	-3,1	0,5	1,6	-0,8	-4,0	4,0
Industrial Applications	3,1	1,8	-0,4	-0,5	3,1	2,5	1,8	0,8
Graphics and Packaging	-0,3	-	-	-	-	-	-	-
Other and eliminations	-2,4	-1,8	-0,1	-0,6	-3,3	-1,6	-0,8	-1,9
Group	8,3	5,0	1,9	3,8	5,2	6,0	1,6	5,1
Operating profit/loss, MEUR								
Decor	6,8	6,7	5,2	4,5	3,5	5,9	4,3	1,9
Release Liners	0,1	-2,0	-3,1	0,5	1,6	-0,8	-4,0	4,0
Industrial Applications	2,6	1,8	-0,7	-0,7	3,1	2,5	1,8	1,0
Graphics and Packaging	-1,4	-	-	-	-	-	-	-
Other and eliminations	-27,4	-4,5	-1,8	-5,0	-5,3	-1,9	-3,0	-3,2
Group	-19,3	2,0	-0,3	-0,8	2,9	5,6	-0,9	3,7
Delivered volume, metric tonnes								
Decor	45 900	44 600	45 500	41 200	40 900	38 900	41 200	44 800
Release Liners	67 000	44 500	46 800	46 200	43 500	48 100	41 300	35 900
Industrial Applications	21 800	20 300	18 500	17 700	20 500	19 400	19 300	18 000
Graphics and Packaging	17 400	-	-	-	-	-	-	-
Other and eliminations	-3 900	-3 100	-2 000	-2 000	-2 500	-1 900	-500	-100
Group	148 200	106 300	108 800	103 100	102 400	104 500	101 300	98 600

Related party transactions

In addition to the existing purchases of wood from the group's associated company in Sweden, Sydved AB and interest on the shareholder loan which was repaid during the quarter there are additional related party transactions as a result of the combination.

In compliance with the combination agreement, Munksjö and Ahlstrom have entered into the following agreements:

- *Transitional Services Agreement* to provide services to each other on a transitional basis. Services include R&D services, finance & accounting, sales administration and IT.
- *Joint Procurement Agreement*. For a period of twelve months after the combination of the LP Europe business, Ahlstrom will provide transitional sourcing services to the LP Europe entities now in Munksjö. Munksjö and Ahlstrom have also entered into a Joint Procurement Agreement to cover certain defined material and service categories.

In addition to the above Munksjö and Ahlstrom have established a joint venture company to own and manage the assets of the Turin mill site which will be shared by Ahlstrom's filtration business and Munksjö's Release Liners business.

Pledged assets and contingent liabilities

MEUR	June 30,		December 31,
	2013	2012	2012
Property mortgages for other commitments	63,2	91,7	93,3
Escrow bank accounts	0,9	2,6	0,6
Other pledged assets	12,2	14,4	13,0
Chattel mortgages	52,2	198,0	192,8
Total group pledged assets	128,6	306,7	299,6
Guarantees and other contingent liabilities	1,3	1,3	1,4

Key figures

Consolidated key ratios	April - June		January - June		Full year
	2013	2012	2013	2012	2012
<i>Margins (adjusted)</i>					
EBITDA margin, %	8,0%	7,4%	7,7%	7,8%	7,0%
Operating margin, %	4,0%	3,3%	3,7%	3,7%	2,8%
<i>Return (12 months continuous)</i>					
Return on operating capital, % (adjusted)	3,4%	2,4%	3,4%	2,4%	3,9%
Return on shareholders' equity, %	-11,8%	0,6%	-11,8%	0,6%	-5,1%
<i>Capital structure at period's end</i>					
Operating capital, MEUR	677,5	455,1	677,5	455,1	413,0
Shareholders' equity, MEUR	389,1	208,2	389,1	208,2	199,5
Interest-bearing net debt, MEUR	268,2	249,7	268,2	249,7	217,3
Debt/equity ratio, %	68,9%	119,9%	68,9%	119,9%	108,9%
Equity/assets ratio, %	34,7%	30,3%	34,7%	30,3%	29,4%
<i>Per share (before and after dilution)</i>					
Earnings per share, EUR	-1,0	0,0	-1,4	0,0	-0,9
Shareholders' equity per share, EUR	17,3	16,9	22,3	16,9	16,2
Average number of shares	22 484 800	12 306 807	17 423 920	12 306 807	12 306 807
Capital expenditure, MEUR	4,6	2,4	6,8	4,7	14,8
Employees, FTE	1 970	1 684	1 814	1 683	1 679

Currency rates

	Closing rate			Average rate		Full year
	June 30, 2013	June 30, 2012	December 31, 2012	Jan-Jun 2013	Jan-Jun 2012	
SEK	8,76	8,77	8,62	8,53	8,88	8,71
USD	1,30	1,26	1,01	1,31	1,30	1,28

Business Combination

On 28 August 2012, Munksjö Oyj (Munksjö), Ahlstrom Oyj, Munksjö AB and Munksjö Luxembourg Holding S.à r.l. (EQT) entered into a business combination agreement for the purpose of combining the business operations of Ahlstrom Corporation's label and processing business in Europe (LP Europe), Ahlstrom Corporation's label and processing business in Brazil (Coated Specialties) and Munksjö AB into Munksjö (Combination or Combination Agreement).

The combination will be completed in two phases. The first phase of the combination, in which LP Europe was combined with Munksjö AB was registered on 27 May, 2013 through the following transactions as set out below:

- EQT as a majority owner of Munksjö AB, together with certain minority shareholders of Munksjö AB, contributed all their respective Munksjö AB shares to Munksjö in exchange for newly issued shares of Munksjö (Munksjö AB Acquisition).
- Ahlstrom has contributed all the assets and liabilities that belong to LP Europe to Munksjö through a partial demerger, whereby Ahlstrom's shareholders have received newly issued shares of Munksjö as contribution. The execution of the LP Europe Demerger has been registered with the Finnish Trade Register on 27 May, 2013.
- Ahlstrom, EQT III Limited through Munksjö Luxembourg Holding S.à r.l., Munksjö AB and certain institutional investors have made an equity investment in Munksjö in the amount of EUR 128,5 million in a directed share issue of Munksjö.
- Munksjö's shares have been listed on the official list of the Helsinki Stock Exchange on 7 June, 2013.

The completion of the combination agreement was subject to the receipt of the approval from the European Commission's competition authority. Ahlstrom and Munksjö AB have provided certain commitments in order to enable the European Commission to declare the Combination compatible with the common market and EEA Agreement. The main commitment is that Ahlstrom's PRIP and abrasive business in Osnabrück, Germany be sold and that the mill is separated to such an extent that Ahlstrom's remaining business in Osnabrück and the operations to be sold can operate independently of each other. The total estimated costs to complete the separation are expected to be EUR 13,5 million shall be borne by Munksjö and have been recorded in the income statement in the 6 month period ended 30 June, 2013. The intangible assets and some consignment inventories of the Silco business at Osnabrück have been transferred to Munksjö for a consideration of EUR 1 million.

In the second phase, which is expected to occur by the end of 2013, Coated Specialties will be combined into Munksjö through the execution of the Coated Specialties demerger, in which Ahlstrom shall contribute all the assets and liabilities that belong to Coated Specialties to Munksjö through a partial demerger, whereby Ahlstrom's shareholders will receive newly issued shares of Munksjö as consideration.

Legally through the Munksjö AB acquisition, Munksjö acquired Munksjö AB by issuing new shares for the shares of Munksjö AB through a share exchange. After this share exchange, Munksjö acquired LP Europe by means of the LP Europe Demerger. Through assessing the acquirer criteria for all items including which one of the existing combining entities in effect acquires control over the other, Munksjö AB was identified as the acquirer for accounting purposes. Accordingly, in Munksjö's consolidated financial statements, the share exchange between Munksjö and the shareholders of Munksjö AB is accounted for as a reorganisation of Munksjö AB and Munksjö AB's net assets are recorded at predecessor carrying amounts with the historical comparatives of Munksjö AB presented for all periods. Accordingly, LP Europe, as the other party to the Combination is accounted for using the acquisition method with Munksjö AB as the acquirer for accounting purposes.

Munksjö Oyj as the receiving entity in the demerger issued 11 597 326 new shares to Ahlstrom's shareholders as demerger consideration. As there was no quoted market price for the shares at the time of the completion of the combination, the fair value was derived through a valuation mechanism agreed by the parties to the combination for their respective businesses. The arm's length valuation of the combining businesses was determined based on their relative EBITDA contribution as well as EBITDA multiples of relevant peers as adjusted for net debt and pension liabilities. The fair value of the LP Europe business amounted to EUR 106 million.

The following table summarizes the consideration transferred for LP Europe, the provisional fair value of assets acquired and liabilities assumed at the acquisition date. Acquisition related costs of EUR 7,5 million have been charged to other external costs in the consolidated income statement for the period ended 31 December, 2012 and EUR 25,7 million for the 6 month period ended 30 June, 2013. This includes the EUR 13,5 million costs related to Osnabrück commitments described above.

Total consideration transferred	106,0
Provisionally recognised amounts of identifiable assets acquired and liabilities assumed	
Tangible assets	183,3
Other intangible assets	26,7
Equity accounted investments	12,0
Other non-current assets	0,3
Deferred tax assets	10,8
Inventories	53,9
Accounts receivable	56,7
Other current assets	8,8
Cash and cash equivalents	9,1
Non-current borrowings	-2,5
Pensions obligations	-11,7
Provisions	-0,1
Deferred tax liabilities	-42,2
Current borrowings	-155,0
Accounts payable	-85,3
Accrued expenses and deferred income	-14,9
Current tax liabilities	-0,1
Other current liabilities and provisions	-13,3
Total identifiable net assets	36,8
Goodwill	69,2

The fair value of trade and other receivables is EUR 65,5 million and includes trade receivables with a fair value of EUR 56,7 million. The gross contractual amount for trade receivables due is EUR 57,5 million of which EUR 0,8 million is expected to be uncollectible.

The goodwill amount of EUR 69,2 million arises from the acquired workforce and synergies expected to be realised from combining the operations of Munksjö and LP Europe, mainly relating to purchasing, production, pulp, logistics and sales, as well as from access to new markets. As part of the synergy plan, Munksjö and Ahlstrom will establish joint sourcing activities. The goodwill is not expected to be deductible for tax purposes.

The revenue and operating profit included in the consolidated income statement from 27 May, 2013 to 30 June, 2013 contributed by LP Europe was EUR 46,9 million and EUR -1,5 million respectively.

Had LP Europe been consolidated from 1 January 2013, the consolidated income statement for the six months ended 30 June 2013 would show pro forma revenue of EUR 543,5 million and pro forma operating profit of EUR 6,5 million.

Pro forma information

The following tables present pro forma financial information to illustrate the financial impact of phase I and phase II of the combination as described above in the business combination section. This information is presented for illustrative purposes only. The pro forma statement of comprehensive income for the year-ended 31 December 2012 and for the six month period ended 30 June 2013, have been compiled assuming that the Combination had been completed on 1 January 2012 and the pro forma statement of financial position as at 30 June has been compiled assuming phase II of the combination had been completed on 30 June 2013.

The effects of the two phases have been illustrated in the pro forma information by presenting separately the effects of Phase I (pro forma I) and the combined effects of Phase I and Phase II (pro forma II).

As explained in the business combination section, Munksjö AB has been identified as the acquirer for accounting purposes. Accordingly, LP Europe, as the other party to the Combination is accounted for using the acquisition method with Munksjö AB as the acquirer for accounting purposes and LP Europe's results are consolidated from 27 May, 2013.

As the Coated Specialties demerger has not been completed, the pro forma II information is based on the preliminary fair value of the new shares to be issued in connection with the combination for the Coated Specialties acquisition and the preliminary fair value of assets acquired and liabilities assumed. These preliminary fair value measurements used for pro forma purposes may differ materially from the final fair value at the actual acquisition date.

The most significant pro forma adjustments to the IFRS reported financial statements are as follows:

- Inclusion of the comprehensive income of LP Europe and Coated Specialties for 12 month period ended 31 December 2012, inclusion of LP Europe's comprehensive income from 1 January 2013 to 27 May, 2013 and Coated Specialites for the six months period ended 30 June 2013.
- Reallocation of all Combination related transaction costs incurred during 2012 and 2013 as if they had been incurred on 1 January 2012.
- The depreciation and amortisation costs have been adjusted to reflect the higher charge expected as a result of the purchase price allocation.
- The step up in inventory value as a result of the purchase price allocation and the resulting negative impact on earnings has been reallocated to the first quarter of 2012.
- The finance expense for the twelve month period ended 31 December 2012 and six month period ended 30 June 2013 has been adjusted to reflect the estimated finance cost associated with the refinancing of Munksjö which occurred during Q2 2013 and described in the finance section of this report.
- The Statement of Financial position as at 30 June 2013 has been adjusted as if the Coated Specialties business was acquired as of that date.
- The tax related assets and liabilities in the Statement of financial position and the income tax in the statements of comprehensive income have been adjusted to reflect the pro forma adjustments above.

The pro forma financial information does not reflect the anticipated annual synergy benefits of approximately EUR 20 to 25 million, related costs to achieve these synergies of approximately EUR 10 to 15 million or standalone annual cost savings of approximately EUR 10 to 15 million.

As described above the consideration for Coated Specialties is preliminary. For the purposes of this pro forma information the consideration is calculated based on Munksjö's share price of EUR 5,50 which corresponds to the quoted closing price of Munksjö's share price as of 28 June 2013 on the Helsinki Stock Exchange. The final consideration transferred for Coated Specialties will be based on the quoted closing price of the Munksjö share price at the date that control over Coated Specialties transfers to Munksjö. A ten percent change in the share price would have a EUR 6,8 million impact on the purchase consideration with a consequential impact on the purchase price allocation.

The following table summarizes the preliminary consideration transferred for Coated Specialties, the provisional fair value of assets acquired and liabilities assumed as at 30 June 2013.

Preliminary consideration transferred	67,6
Recognised amounts of identifiable assets acquired and liabilities assumed	
Tangible assets	52,3
Other intangible assets	23,3
Other non-current assets	0,5
Inventories	8,2
Accounts receivable	14,8
Other current assets	1,6
Deferred tax liabilities	-18,0
Accounts payable	-14,4
Accrued expenses and deferred income	-1,5
Other current liabilities and provisions	-2,8
Total identifiable net assets	64,0
Goodwill	3,6

Pro forma key figures

For 6 month period ended and as at 30 June 2013	Pro forma II	Reported
<i>Margins (adjusted)</i>		
EBITDA margin, %	6,0%	7,7%
Operating margin, %	1,7%	3,7%
<i>Capital structure at period's end</i>		
Operating capital, MEUR	762,9	677,4
Shareholders' equity, MEUR	456,7	389,1
Interest-bearing net debt, MEUR	268,2	268,2
Debt/equity ratio, %	58,7%	68,9%
Equity/assets ratio, %	37,3%	34,7%

Consolidated pro forma statement of comprehensive income for 6 month period ended 30 June 2013					
MEUR	Munksjö	Pro forma I adjustments	Pro forma I	Pro forma II adjustments	Pro forma II
Net sales	362,5	181,0	543,5	46,5	590,0
Other operating income	1,9	1,8	3,7	0,1	3,8
Total operating income	364,4	182,8	547,2	46,6	593,8
Operating costs					
Changes in inventories	8,9	4,5	13,4	0,5	13,9
Materials and supplies	-190,8	-137,5	-328,3	-22,4	-350,7
Other external costs	-115,5	2,3	-113,2	-17,4	-130,6
Personnel costs	-69,9	-20,6	-90,5	-4,7	-95,2
Depreciation and amortisation	-14,7	-7,7	-22,4	-2,9	-25,3
Total operating costs	-382,0	-159,0	-541,0	-46,9	-587,9
Share of profit in equity accounted investments	0,3	0,0	0,3	0,0	0,3
Operating profit	-17,3	23,8	6,5	-0,3	6,2
Net financial items	-10,4	-0,4	-10,8	-0,3	-11,1
Profit before tax	-27,7	23,4	-4,3	-0,6	-4,9
Taxes	3,8	0,3	4,1	0,2	4,3
Net profit	-23,9	23,7	-0,2	-0,4	-0,6
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations for the period	-2,3	-	-2,3	-5,9	-8,2
Change in cash flow hedge reserve	-0,6	-	-0,6	-	-0,6
Cash flow hedge transferred to this year's result	-0,2	-	-0,2	-	-0,2
Items that will not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans	-	-	-	-	-
Tax attributable to other comprehensive income	0,2	-	0,2	-	0,2
Comprehensive income	-26,8	23,7	-3,1	-6,3	-9,4
Net profit attributable to:					
Parent company's shareholders	-24,0	23,7	-0,3	-0,4	-0,7
Non-controlling interests	0,1	-	0,1	-	0,1
Comprehensive income attributable to:					
Parent company's shareholders	-26,9	23,7	-3,2	-6,3	-9,5
Non-controlling interests	0,1	-	0,1	-	0,1

Consolidated pro forma statement of comprehensive income for 12 month period ended 31 December 2012					
MEUR	Munksjö	Pro forma I adjustments	Pro forma I	Pro forma II adjustments	Pro forma II
Net sales	607,1	448,5	1 055,6	99,0	1 154,6
Other operating income	2,7	4,5	7,2	0,4	7,6
Total operating income	609,8	453,0	1 062,8	99,4	1 162,2
Operating costs					
Changes in inventories	-7,8	6,0	-1,8	-0,3	-2,1
Materials and supplies	-311,3	-254,5	-565,8	-45,1	-610,9
Other external costs	-142,3	-148,9	-291,2	-35,6	-326,8
Personnel costs	-115,5	-55,6	-171,1	-11,5	-182,6
Depreciation and amortisation	-25,4	-19,0	-44,4	-7,1	-51,5
Total operating costs	-602,3	-472,0	-1 074,3	-99,6	-1 173,9
Share of profit in equity accounted investments	0,0	0,0	0,0	0,0	0,0
Operating profit	7,5	-19,0	-11,5	-0,2	-11,7
Net financial items	-16,3	-9,5	-25,8	0,1	-25,7
Profit before tax	-8,8	-28,5	-37,3	-0,1	-37,4
Taxes	-1,6	-0,3	-1,9	0,8	-1,1
Net profit	-10,4	-28,8	-39,2	0,7	-38,5
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations for the period	3,5	-	3,5	-11,5	-8,0
Change in cash flow hedge reserve	4,0	-	4,0	-	4,0
Cash flow hedge transferred to this year's result	3,1	-	3,1	-	3,1
Items that will not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans	-3,8	-	-3,8	-	-3,8
Tax attributable to other comprehensive income	-0,7	-	-0,7	-	-0,7
Comprehensive income	-4,3	-28,8	-33,1	-10,8	-43,9
Net profit attributable to:					
Parent company's shareholders	-11,0	-28,8	-39,8	0,7	-39,1
Non-controlling interests	0,6	-	0,6	-	0,6
Comprehensive income attributable to:					
Parent company's shareholders	-4,9	-28,8	-33,7	-10,8	-44,5
Non-controlling interests	0,6	-	0,6	-	0,6

Consolidated pro forma statement of financial position as at 30 June 2013			
MEUR	Munksjö	Pro forma II adjustments	Pro forma II
ASSETS			
Non-current assets			
Tangible assets	409,7	52,3	462,0
Goodwill	225,1	3,6	228,7
Other intangible assets	37,4	23,3	60,7
Equity accounted investments	14,6	-	14,6
Other non-current assets	1,9	0,5	2,4
Deferred tax assets	47,7	-	47,7
Total non-current assets	736,4	79,7	816,1
Current assets			
Inventory	148,7	8,2	156,9
Accounts receivable	154,9	14,8	169,7
Other current assets	25,9	1,6	27,5
Current tax assets	2,4	-	2,4
Cash and cash equivalents	52,6	-	52,6
Total current assets	384,5	24,5	409,0
TOTAL ASSETS	1 120,9	104,3	1 225,2
EQUITY AND LIABILITIES			
Equity	389,1	67,6	456,7
Non-current liabilities			
Non-current borrowings	280,3	-	280,3
Other non-current liabilities	1,1	-	1,1
Pensions obligations	47,7	-	47,7
Deferred tax liabilities	68,0	18,0	86,0
Provisions	26,3	-	26,3
Total non-current liabilities	423,4	18,0	441,4
Current liabilities			
Current borrowings	40,5	-	40,5
Accounts payable	142,3	14,4	156,7
Liabilities to equity accounted investments	10,0	-	10,0
Accrued expenses and deferred income	101,8	1,5	103,3
Current tax liabilities	2,3	-	2,3
Other current liabilities and provisions	11,5	2,8	14,3
Total current liabilities	308,4	18,7	327,1
Total liabilities	731,8	36,7	768,5
TOTAL EQUITY AND LIABILITIES	1 120,9	104,3	1 225,2

Pro forma I Segment Information						
MEUR	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012
Pro forma Net sales						
Decor	95,5	96,0	99,6	90,2	91,3	87,3
Release Liners	94,1	90,1	87,1	90,0	97,8	93,3
Industrial Applications	42,1	38,0	37,0	33,5	40,6	37,1
Graphics and Packaging	47,0	47,3	43,4	43,1	45,8	46,1
Eliminations and other	-3,6	-3,0	-1,9	-1,1	-2,7	-1,9
Group	275,1	268,4	265,2	255,7	272,8	261,9
Pro forma EBITDA, total						
Decor	9,4	9,3	8,3	7,0	6,1	8,4
Release Liners	3,7	3,6	8,7	5,6	7,9	5,1
Industrial Applications	4,5	3,6	1,3	1,2	4,9	4,3
Graphics and Packaging	-0,6	1,8	2,2	-0,6	0,3	0,7
Eliminations and other	-4,5	-1,9	-1,7	-4,8	-5,2	-26,8
Group	12,5	16,4	18,8	8,4	14,0	-8,3
Non-recurring items by segment						
Decor	-	0,3	0,3	-	0,2	-
Release Liners	0,2	-	-	-	-	1,0
Industrial Applications	0,5	-	0,2	0,2	-	-
Graphics and Packaging	-	-	-	-	-	1,1
Eliminations and other	2,3	0,4	1,7	4,4	1,9	25,3
Group	3,0	0,7	2,2	4,6	2,1	27,4
Pro forma EBITDA excluding non-recurring items						
Decor	9,4	9,6	8,6	7,0	6,3	8,4
Release Liners	3,9	3,6	8,7	5,6	7,9	6,1
Industrial Applications	5,0	3,6	1,5	1,4	4,9	4,3
Graphics and Packaging	-0,6	1,8	2,2	-0,6	0,3	1,8
Elimination and other	-2,2	-1,5	0,0	-0,4	-3,3	-1,5
Group	15,5	17,1	21,0	13,0	16,1	19,1
Delivered volume, metric tonnes						
Decor	45 900	44 600	45 500	41 200	40 900	38 900
Release Liners	99 900	104 100	101 757	103 139	107 235	108 280
Industrial Applications	21 700	20 300	18 500	17 700	20 500	19 400
Graphics and Packaging	40 700	38 602	34 196	33 894	37 457	36 742
Eliminations	-3 900	-3 100	-2 000	-2 000	-2 500	-1 900
Group	204 300	204 502	197 953	193 933	203 592	201 422

Pro forma II Segment Information						
MEUR	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012
Pro forma Net sales						
Decor	95,5	96,0	99,6	90,2	91,3	87,3
Release Liners	118,6	112,1	110,4	115,3	123,1	118,4
Industrial Applications	42,1	38,0	37,0	33,5	40,6	37,1
Graphics and Packaging	47,0	47,3	43,4	43,1	45,8	46,1
Eliminations and other	-3,6	-3,0	-1,9	-1,1	-2,7	-1,9
Group	299,6	290,4	288,5	281,0	298,1	287,0
Pro forma EBITDA, total						
Decor	9,4	9,3	8,3	7,0	6,1	8,4
Release Liners	4,5	5,4	11,0	5,8	10,2	7,2
Industrial Applications	4,5	3,6	1,3	1,2	4,9	4,3
Graphics and Packaging	-0,6	1,8	2,2	-0,6	0,3	0,7
Eliminations and other	-4,5	-1,9	-1,7	-4,8	-5,2	-26,8
Group	13,3	18,2	21,1	8,6	16,3	-6,2
Non-recurring items by segment						
Decor	-	0,3	0,3	-	0,2	-
Release Liners	0,2	-	-	-	-	1,5
Industrial Applications	0,5	-	0,2	0,2	-	-
Graphics and Packaging	-	-	-	-	-	1,1
Eliminations and other	2,3	0,4	1,7	4,4	1,9	25,3
Group	3,0	0,7	2,2	4,6	2,1	27,9
Pro forma EBITDA excluding non-recurring items						
Decor	9,4	9,6	8,6	7,0	6,3	8,4
Release Liners	4,7	5,4	11,0	5,8	10,2	8,7
Industrial Applications	5,0	3,6	1,5	1,4	4,9	4,3
Graphics and Packaging	-0,6	1,8	2,2	-0,6	0,3	1,8
Elimination and other	-2,2	-1,5	0,0	-0,4	-3,3	-1,5
Group	16,3	18,9	23,3	13,2	18,4	21,7
Delivered volume, metric tonnes						
Decor	45 900	44 600	45 500	41 200	40 900	38 900
Release Liners	126 600	126 663	126 243	128 293	133 223	133 123
Industrial Applications	21 700	20 300	18 500	17 700	20 500	19 400
Graphics and Packaging	40 700	38 602	34 196	33 894	37 457	36 742
Eliminations	-3 900	-3 100	-2 000	-2 000	-2 500	-1 900
Group	231 000	227 065	222 439	219 087	229 580	226 265

Calculation of key figures**EBITDA**

Operating profit/loss before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of Net sales.

Operating margin

Operating profit/loss after depreciation and amortisation as a percentage of Net sales.

Return on shareholders' equity

Profit/loss for 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 profit/loss 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

Profit/loss for the period divided by the average number of shares outstanding.

Equity per share

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

FTE

Number of hours worked divided by normal annual working hours.

Interest bearing liabilities and assets

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

Non-recurring items

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