Made by Munksjö™

Munksjö Oyj
Interim Report January-June 2015

Stable profitability development despite increased short fibre pulp prices

Highlights of the second quarter 2015

- Net sales were EUR 291.2 (292.5) million.
- Adjusted EBITDA was EUR 25.0 (26.0) million and the adjusted EBITDA margin was 8.6% (8.9%).
- Operating result adjusted for non-recurring items was EUR 11.5 (13.4) million. Non-recurring items amounted to EUR -2.4 (-0.6) million.
- Operating result was EUR 9.1 (12.8) million and net result EUR 2.7 (4.1) million.

Highlights of January-June 2015

- Net sales were EUR 571.4 (580.4) million.
- Adjusted EBITDA was EUR 51.5 (53.4) million and the adjusted EBITDA margin was 9.0% (9.2%).
- Operating result adjusted for non-recurring items was EUR 24.7 (27.1) million. Non-recurring items amounted to EUR -2.4 (-1.6) million.
- Operating result was EUR 22.3 (25.5) million and net result EUR 12.4 (8.4) million.
- Earnings per share (EPS) were EUR 0.24 (0.16).
- Operating cash flow was EUR 1.2 (8.3) million.

KEY FIGURES (MEUR)	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Net sales	291.2	292.5	571.4	580.4	1,137.3
EBITDA (adj.*)	25.0	26.0	51.5	53.4	105.0
EBITDA margin, % (adj.*)	8.6	8.9	9.0	9.2	9.2
EBITDA	22.6	25.4	49.1	51.8	99.4
EBITDA margin, %	7.8	8.7	8.6	8.9	8.7
Operating result (adj.*)	11.5	13.4	24.7	27.1	51.0
Operating margin, % (adj.*)	3.9	4.6	4.3	4.7	4.5
Operating result	9.1	12.8	22.3	25.5	45.4
Operating margin, %	3.1	4.4	3.9	4.4	4.0
Net result	2.7	4.1	12.4	8.4	7.7
Earnings per share (EPS), EUR	0.05	0.07	0.24	0.16	0.14
Interest-bearing net debt	260.8	241.5	260.8	241.5	225.6

* Adjusted for non-recurring items

Unless otherwise indicated, the figures in parentheses refer to the figures for the equivalent period in 2014. This interim report is unaudited. It is published in Swedish, Finnish and English. In case of any discrepancies between the three versions, the Swedish text shall prevail.

Comment from Munksjö's President and CEO, Jan Åström

"The underlying demand for Munksjö's products has been stable in the first six months of 2015 and showed only small variations between the quarters.

A major reason for the stable, but still unsatisfactory profitability development during the first six months compared with previous year, were the increased prices for short fibre pulp. The second quarter was also impacted by a maintenance shutdown at the pulp production facility in Aspa, Sweden, which had an effect on our EBITDA of about EUR -4 million. As communicated earlier, the interval between the maintenance shutdowns has after the stop been prolonged to 18 months and the next maintenance shutdown in Aspa will be implemented in the fourth quarter of 2016.

The price increases communicated at the time of our latest interim report are now being implemented within the business areas Decor and Release Liners. The price increases of up to 3 per cent in business area Decor and of up to 8 per cent in business area Release Liners are expected to gradually compensate for the increased pulp prices during 2015. The price increases are expected to have a gradual effect on the average price of the Group in the third quarter and a full effect from the beginning of the fourth quarter of 2015.

As in the first quarter, the foreign exchange movements did not have a noticeable effect on the combined result of the business areas, however the effect on the individual business areas varies. The currency hedge loss decreased to EUR 1.3 million in the second quarter from EUR 2.4 million in the first quarter of 2015. The currency hedge loss was more than compensated for by exchange gains on financial assets and liabilities of EUR 4.1 (-0.9) million recorded in net financial items.

We are constantly working on initiatives to further adjust our cost base and increase our net sales. The initiatives are evaluated and processed continuously and will be announced as the plans are finalised. The efforts and actions to achieve our profitability target, an EBITDA margin of 12 per cent at the end of 2016, are on-going and proceed according to the individual plans made for each of the four business areas."

Outlook

The demand outlook of specialty paper products for the third and fourth quarter of 2015 is stable. The annual maintenance and vacation shutdowns in the third quarter as well as the seasonal shutdowns at the end of 2015 are expected to be carried out to about the same extent as in 2014.

Prices of Munksjö's specialty paper products in local currency are expected to further increase in the second half of 2015 compared to the first six months of 2015, when the negotiated price increases gradually will be implemented. The price increases of up to 3 per cent in business area Decor and of up to 8 per cent in business area Release Liners are hence expected to gradually compensate for the increased pulp prices during 2015. The price increases are expected to have a gradual effect on the average sales price of the Group in the third quarter and a full effect from the beginning of the fourth quarter of 2015.

The cash flow from operations is expected to reflect the seasonal pattern and hence improve during the second half of the year.

The cash flow effect from capital expenditure for fixed assets for 2015 is expected to amount to about two thirds of the depreciation level.

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 23 July 2015 at 2:30 p.m. CEST (3:30 p.m. EEST, 1:30 p.m. UK time) at restaurant Savoy, room Kabinetti 2 (Eteläesplanadi 14, 7th floor, Helsinki). The report will be presented by President and CEO Jan Åström. The event will be held in English.

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

Webcast and conference call information

Finnish callers: +358 (0)9 2313 9201

Swedish callers: +46 (0)8 5052 0110

US callers: +1 334 323 6201

UK callers: +44 (0)20 7162 0077

Conference ID: 953912

Link to the webcast

The Munksjö Group

MEUR	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net sales	291.2	292.5	571.4	580.4	1,137.3
EBITDA (adj.*)	25.0	26.0	51.5	53.4	105.0
EBITDA margin, % (adj.*)	8.6	8.9	9.0	9.2	9.2
EBITDA	22.6	25.4	49.1	51.8	99.4
EBITDA margin, %	7.8	8.7	8.6	8.9	8.7
Operating result (adj.*)	11.5	13.4	24.7	27.1	51.0
Operating margin, % (adj.*)	3.9	4.6	4.3	4.7	4.5
Operating result	9.1	12.8	22.3	25.5	45.4
Operating margin, %	3.1	4.4	3.9	4.4	4.0
Net result	2.7	4.1	12.4	8.4	7.7
Capital expenditure	11.1	8.6	20.0	14.1	35.1
Employees, FTE	2,785	2,770	2,768	2,770	2,765

* Adjusted for non-recurring items

Second quarter 2015

Net sales were EUR 291.2 (292.5) million.

EBITDA adjusted for non-recurring items decreased to EUR 25.0 (26.0) million and the adjusted EBITDA margin was 8.6% (8.9%). Currency hedge losses of EUR 1.3 (0.5) million were recorded in segment *Other* in the second quarter.

The operating result adjusted for non-recurring items was EUR 11.5 (13.4) million. Non-recurring items amounted to EUR -2.4 (-0.6) million and were mainly related to environmental provisions.

The operating result was EUR 9.1 (12.8) million and net result EUR 2.7 (4.1) million.

January–June 2015

Net sales were EUR 571.4 (580.4) million.

EBITDA adjusted for non-recurring items decreased to EUR 51.5 (53.4) million and the adjusted EBITDA margin was 9.0% (9.2%). Currency hedge losses of EUR 3.6 (0.6) million were recorded in segment *Other* in the reporting period.

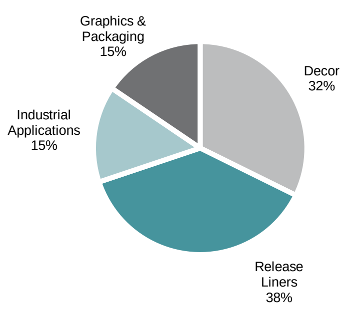
The operating result adjusted for non-recurring items was EUR 24.7 (27.1) million. Non-recurring items amounted to EUR -2.4 (-1.6) million and were mainly related to environmental provisions.

The operating result was EUR 22.3 (25.5) million and net result EUR 12.4 (8.4) million.

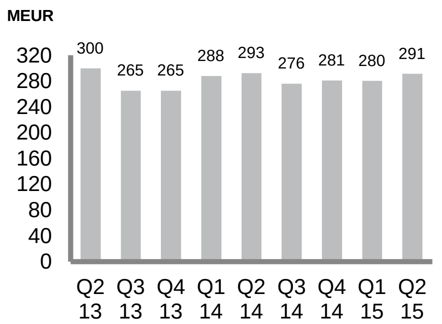
The currency hedge loss was more than compensated for by exchange gains on financial assets and liabilities of EUR 4.1 (-0.9) million recorded in net financial items.

The market conditions and financial performance of the individual business areas in the second quarter and January-June 2015 are presented on the following pages.

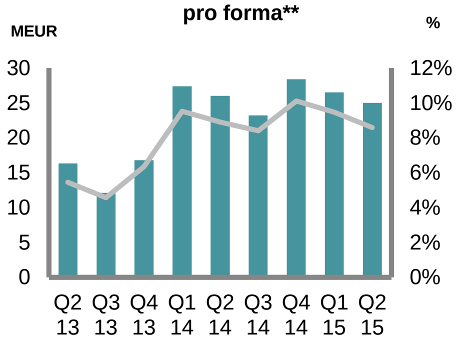
Net sales Jan-Jun 2015



Net sales pro forma**



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



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

Business Area Decor

MEUR	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net sales	93.4	96.4	188.9	193.9	374.7
EBITDA (adj.*)	11.6	11.0	23.4	24.6	46.2
EBITDA margin, % (adj.*)	12.4	11.4	12.4	12.7	12.3
EBITDA	11.6	11.0	23.4	24.6	44.9
EBITDA margin, %	12.4	11.4	12.4	12.7	12.0
Operating result (adj.*)	9.7	9.2	19.6	20.0	37.1
Operating margin. % (adj.*)	10.4	9.5	10.4	10.3	9.9
Operating result	9.7	9.2	19.6	20.0	35.8
Operating margin. %	10.4	9.5	10.4	10.3	9.6
Capital expenditure	2.2	1.4	4.8	2.9	6.4
Delivery volumes, tonnes	46,200	46,100	93,000	92,700	180,300
Employees, FTE	861	881	855	884	877

* Adjusted for non-recurring items

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

Second quarter 2015

Demand and total delivery volumes remained stable during the second quarter of 2015 compared to the corresponding period last year.

Net sales decreased and reached EUR 93.4 (96.4) million. The average price was lower mainly as a result of a less favourable product mix, but also due to the selective price adjustments made during the fourth quarter of 2014.

EBITDA adjusted for non-recurring items was EUR 11.6 (11.0) million and the adjusted EBITDA margin was 12.4% (11.4%). The EBITDA was negatively affected by the lower average price. This negative result effect was more than compensated for by the positive result effect of a lower cost level compared with the corresponding period last year.

Operating result was EUR 9.7 (9.2) million and the operating margin 10.4% (9.5%).

January–June 2015

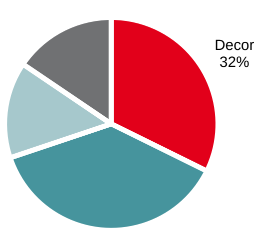
Demand and total delivery volumes were stable during January-June 2015 compared to the corresponding period last year.

Net sales were EUR 188.9 (193.9) million. The average price was lower mainly as a result of a less favourable product mix, but also due to the selective price adjustments made during the fourth quarter of 2014.

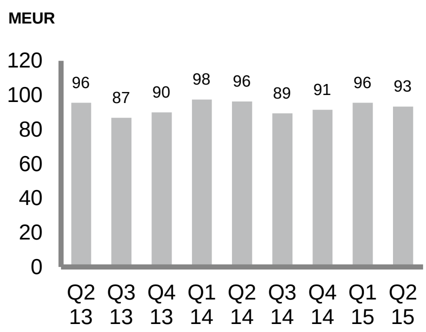
EBITDA adjusted for non-recurring items decreased to EUR 23.4 (24.6) million and the adjusted EBITDA margin was 12.4% (12.7%). The EBITDA was negatively affected by the lower average price. The negative result effect was not fully compensated for by the positive result effect of a lower cost level.

The operating result was EUR 19.6 (20.0) million and the operating margin 10.4% (10.3%).

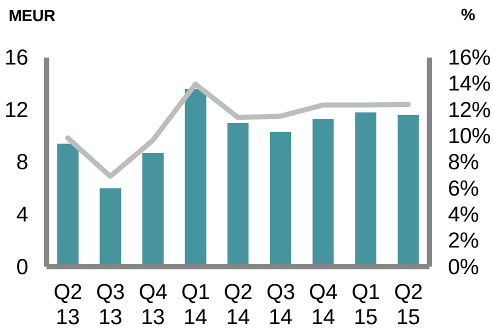
Net sales Jan-Jun 2015



Net sales



EBITDA and margin (adj.*)



* Adjusted for non-recurring items

Business Area Release Liners

MEUR	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net sales	112.6	111.5	219.4	218.4	446.0
EBITDA (adj.*)	8.5	8.9	18.2	17.9	44.3
EBITDA margin, % (adj.*)	7.5	8.0	8.3	8.2	9.9
EBITDA	8.5	8.9	18.2	17.9	43.5
EBITDA margin, %	7.5	8.0	8.3	8.2	9.8
Operating result (adj.*)	1.3	1.8	3.8	3.6	16.1
Operating margin, % (adj.*)	1.2	1.6	1.7	1.6	3.6
Operating result	1.3	1.8	3.8	3.6	15.3
Operating margin, %	1.2	1.6	1.7	1.6	3.4
Capital expenditure	5.7	3.0	8.8	4.2	9.2
Delivery volumes, tonnes	127,500	127,500	245,700	252,000	512,200
Employees, FTE	864	838	864	842	845

* Adjusted for non-recurring items

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 and the Brazilian operation, Coated Specialties, which serves the South American market with self-adhesive products and flexible packaging.

Second quarter 2015

Total delivery volumes for the business area were stable compared to the corresponding period last year. Delivery volumes were on the same level as last year for the European paper business, reflecting the stable market demand. Delivery volumes for the pulp business were affected by the seasonal maintenance stop, but were higher compared to the corresponding period last year. Delivery volumes for the Brazilian paper business were lower, mainly as an effect of the weaker market sentiment in Brazil.

Net sales were stable and reached EUR 112.6 (111.5) million. The average price measured in local currencies was higher than in the corresponding period for all three businesses.

EBITDA adjusted for non-recurring items decreased to EUR 8.5 (8.9) million and the adjusted EBITDA margin was 7.5% (8.0%). The negative profitability development was mainly a result of a less favourable price difference between short and long fibre pulp, which was not compensated for by the higher average price in the paper businesses in Europe and Brazil. The currency developments during the second quarter had a positive effect on the result of the pulp business and a negative result effect on the paper business.

The result effect of the maintenance shut down at the pulp production facility in Aspa, Sweden was approximately EUR -4 million. As earlier communicated, the interval between the maintenance shutdowns at the Aspa facility has after the stop been prolonged to 18 months and the next maintenance shutdown will be implemented in the fourth quarter of 2016.

Operating result was EUR 1.3 (1.8) million and the operating margin 1.2% (1.6%).

January–June 2015

Total delivery volumes for the business area drecreased, mainly as a result of a weaker market sentiment for the paper business in Brazil.

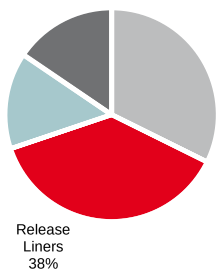
Net sales were stable and reached EUR 219.4 (218.4) million. The average price measured in local currencies was higher than in the corresponding period for all three businesses.

EBITDA adjusted for non-recurring items increased to EUR 18.2 (17.9) million and the adjusted EBITDA margin was 8.3% (8.2%). The positive profitability development was mainly a result of a less favourable price difference between short and long fibre pulp, which was more than compensated for by the higher average price in the paper businesses in Europe and Brazil. The currency developments during the first six months of 2015 had a positive result effect on the pulp business and a negative result effect on both paper businesses.

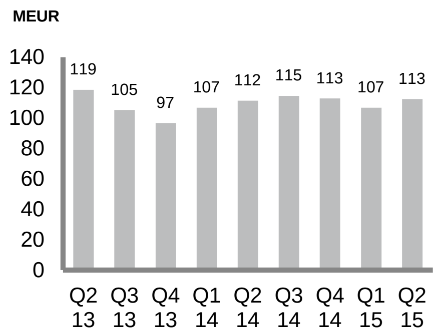
The result effect of the maintenance shut down at the pulp production facility in Aspa, Sweden in the second quarter of 2015, was approximately EUR -4 million.

The operating result was EUR 3.8 (3.6) million and the operating margin EUR 1.7% (1.6%) million.

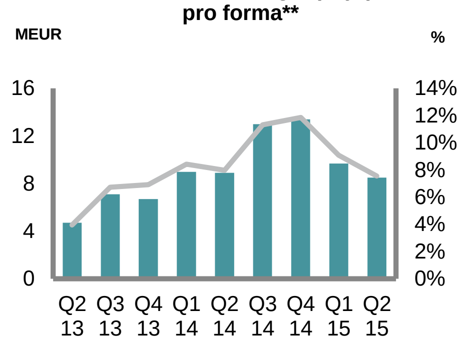
Net sales Jan-Jun 2015



Net sales pro forma**



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



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

Business Area Industrial Applications

MEUR	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net sales	44.0	43.7	85.6	85.3	159.2
EBITDA (adj.*)	7.9	6.9	16.7	13.3	24.2
EBITDA margin, % (adj.*)	18.0	15.8	19.5	15.6	15.2
EBITDA	7.9	6.9	16.7	13.3	23.8
EBITDA margin, %	18.0	15.8	19.5	15.6	14.9
Operating result (adj.*)	5.9	5.1	12.8	9.6	16.7
Operating margin, % (adj.*)	13.4	11.7	15.0	11.3	10.5
Operating result	5.9	5.1	12.8	9.6	16.3
Operating margin, %	13.4	11.7	15.0	11.3	10.2
Capital expenditure	1.6	1.6	3.6	2.5	6.3
Delivery volumes, tonnes	22,700	21,600	43,900	44,400	84,000
Employees, FTE	574	559	563	549	556

* Adjusted for non-recurring items.

The products of Industrial Applications include specialty papers for industrial use. 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 and construction industries, electrotechnical paper for insulation of transformers, bushings and cables, Spantex™ used mainly in the furniture industry, 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.

Second quarter 2015

Total delivery volumes for the business area were higher with growth in most of the business area's product segments.

Net sales were stable and amounted to EUR 44.0 (43.7) million. The average price decreased mainly as a result of changes in the product mix, but was also affected by currency development.

EBITDA adjusted for non-recurring items increased to EUR 7.9 (6.9) million and the adjusted EBITDA margin was 18.0% (15.8%). The positive profitability development was mainly a result of the higher delivery volumes, which more than compensated for the negative effect of the lower average price.

Operating result was EUR 5.9 (5.1) million and the operating margin 13.4% (11.7%).

January–June 2015

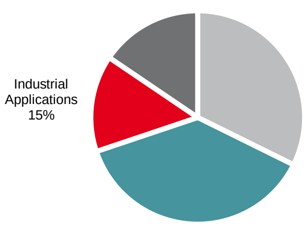
Total delivery volumes for the business area were lower compared to the corresponding period last year.

Net sales were stable and reached EUR 85.6 (85.3) million. The average price was positively affected mainly by a favourable currency development, but was also affected by changes in the product mix.

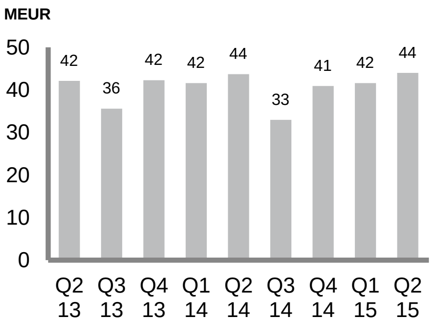
EBITDA adjusted for non-recurring items increased to EUR 16.7 (13.3) million and the adjusted EBITDA margin was 19.5% (15.6%). The positive profitability development was a result of the higher average price, which more than compensated for the negative effect of lower delivery volumes.

The operating result was EUR 12.8 (9.6) million and the operating margin 15.0% (11.3%).

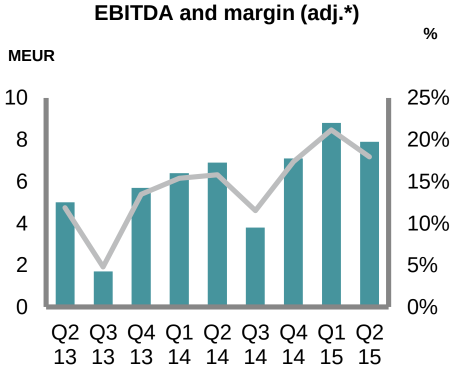
Net sales Jan- Jun 2015



Net sales



EBITDA and margin (adj.*)



* Adjusted for non-recurring items

Business Area Graphics and Packaging

MEUR	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net sales	47.2	45.7	90.7	90.3	172.8
EBITDA (adj.*)	1.1	2.1	2.7	3.4	4.5
EBITDA margin, % (adj.*)	2.3	4.6	3.0	3.8	2.6
EBITDA	1.1	2.1	2.7	3.4	4.5
EBITDA margin, %	2.3	4.6	3.0	3.8	2.6
Operating result (adj.*)	-1.0	0.4	-1.3	0.3	-1.9
Operating margin, % (adj.*)	-2.1	0.9	-1.4	0.3	-1.1
Operating result	-1.0	0.4	-1.3	0.3	-1.9
Operating margin, %	-2.1	0.9	-1.4	0.3	-1.1
Capital expenditure	0.6	0.8	0.8	1.7	9.3
Delivery volumes, tonnes	34,000	36,600	65,400	72,300	136,100
Employees, FTE	428	438	427	441	432

* Adjusted for non-recurring items

The products of Graphics and Packaging include flexible packaging paper, metallizing base paper and graphics and industrial paper. Flexible packaging paper is used in manufacturing of packaging, mainly in the food industry. Metallizing paper is mainly used in labels for, inter alia, beverages. Graphics and industrial papers refer mainly to uncoated papers for repositionable notes, interleaving paper, envelope windows and other graphic papers.

Second quarter 2015

Total delivery volumes decreased, mainly due to the changes in the product mix implemented as part of the on-going programme aiming at a substantial improvement in the business area's financial result. Certain product segments of the business area were also during the second quarter of 2015 characterized by increased competition.

Net sales increased and reached EUR 47.2 (45.7) million as the effect of the lower volumes was compensated for by the effect of a higher average price. The average price increased as an effect of the price increases carried out in 2013 and 2014 and the continued adjustment of the product mix.

EBITDA adjusted for non-recurring items was EUR 1.1 (2.1) million and the adjusted EBITDA margin 2.3% (4.6%). The positive result effect of the increased average price did not compensate for the negative result effect of the lower volumes and the increased raw material costs, driven by the higher pulp price.

Operating result was EUR -1.0 (0.4) million and the operating margin -2.1% (0.9%).

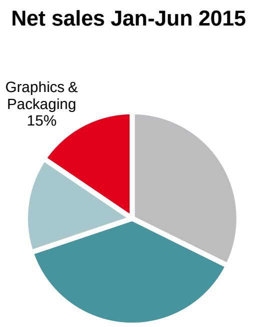
January–June 2015

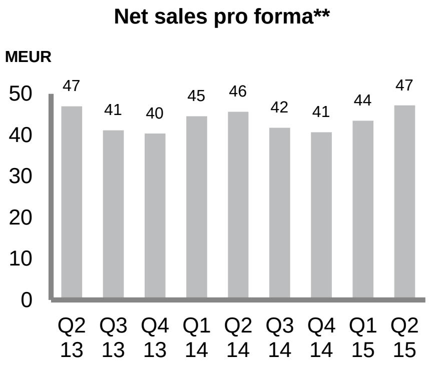
Total delivery volumes decreased, mainly due to the changes in the product mix implemented as part of the on-going programme aiming at a substantial improvement in the business area's financial result. Certain product segments of the business area are characterized by increased competition.

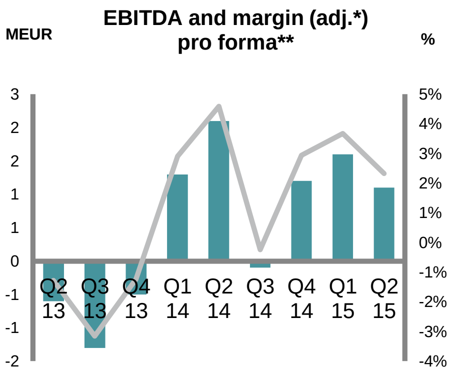
Net sales were stable and reached EUR 90.7 (90.3) million. The average price increased as an effect of the price increases carried out in 2013 and 2014 and the continued adjustment of the product mix.

EBITDA adjusted for non-recurring items decreased to EUR 2.7 (3.4) million and the adjusted EBITDA margin was 3.0% (3.8%). The positive result effect of the increased average price and improved operational efficiency did not compensate for the negative result effect of the lower volumes and the increased raw material costs, driven by the higher pulp price.

The operating result was EUR -1.3 (0.3) million and the operating margin -1.4 % (0.3 %).







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

Balance sheet, financing, cash flow and taxes

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

The interest payable under the facilities agreement depends on the ratio of consolidated senior net debt to consolidated EBITDA. At leverage levels and financial ratios at the time of the signing, the annual saving amounts to 150 basis points on the drawn amounts, corresponding to approximately EUR 5 million of reduced financial expenses on an annual basis. The financing replaced the company's previous EUR 365 million financing agreement signed in May 2013. At the end of the second quarter of 2015, the weighted average interest rate was approximately 2.4 per cent (end of the first quarter 2015: 2.4 per cent; end of the second quarter 2014: 4.3 per cent).

Interest-bearing net debt amounted to EUR 260.8 million at 30 June 2015 (31 March 2015: 241.1; 30 June 2014: 241.5), resulting in a debt/equity ratio of 64.2% (31 March 2015: 58.5%; 30 June 2015: 56.5%). The increase in net debt compared to the end of the corresponding period last year was mainly a result of the return of equity paid to shareholders in April 2015, an increase in working capital, the amortisation of previously capitalised financing costs in connection with the new financing agreement and the repurchase of own shares made in 2015.

Shareholders' equity at 30 June 2015 amounted to EUR 406.5 million (31 March 2015: 412.2; 30 June 2014: 427.7) and total assets decreased to EUR 1,182.2 million (31 March 2015: 1,172.2; 30 June 2014: 1,189.6). The decrease in equity was a result of translations of subsidiary equity to EUR, increased pension obligations as a result of actuarial losses due to lower interest rates, the repurchase of the company's own shares and the return of equity to shareholders.

Net financial items

Net financial items for January-June 2015 amounted in total to EUR -2.6 (-12.0) million, of which EUR 4.7 (7.9) million is interest rate expenses, EUR 0.8 (0.9) million is other finance costs and the rest is mainly items not affecting the cash flow, including EUR 0.4 (1.1) million of amortisation of capitalised bank fees and foreign exchange gains on financial assets and liabilities of EUR 4.1 (-0.9) million. The net financial items for the period include realised interest rate swaps of EUR -0.3 (-0.1) million. At the end of the period, the fair value of unrealised interest rate swaps amounted to EUR -1.0 (-0.7) million.

Hedging

In line with its risk management policy Munksjö hedges up to 50 per cent of its consumption of electricity and pulp costs, as well as between 65 per cent and 85 per cent of the expected net cash flow in foreign currencies. Effective from 1 January 2015, Munksjö had no outstanding pulp hedging contracts. Hedging activities are managed centrally and reported in segment '*Other*'. At the end of the reporting period the fair value of unrealised hedges excluding interest rate swaps amounted to EUR -0.4 (-3.2) million. The operating result for January-June 2015 includes realised hedges of EUR -3.9 (-0.9) million, mainly as a result of currency-related hedge losses.

Cash flow

The cash flow from operating activities in January-June 2015 amounted to EUR 1.2 (8.3) million. Net working capital increased by EUR 32.4 (29.0) million as a result of a seasonal increase in receivables and inventory build-ups in order to secure the service level during the maintenance stops in the third quarter of 2015. The cash flow has been affected by EUR 3.7 million relating to the settlement of provisions recorded in previous periods and payments of EUR 9.7 (6.0) million of income taxes.

Capital expenditure

The cash flow related to capital expenditure for January-June 2015 amounted to EUR -20.0 (-14.1) million. The largest investment in the reporting period was related to the maintenance shut down at the pulp production facility in Aspa, Sweden, and the rest was mainly related to smaller investments for maintenance.

Taxes

The income tax charge for the reporting period was EUR -7.3 (-5.1) million representing an effective rate of 37.1% (37.8%). The effective tax rate represents an average of tax costs for profits and tax benefits for losses in certain jurisdictions. The effective rate has been affected by losses generated in low tax jurisdictions and profits generated in higher tax locations.

Employees

The average number of employees (FTE's) in the second quarter 2015 was 2,785 (2,770). The average number of employees (FTE's) for June was 2,785 (2,772) and at the end of June 2015, Munksjö had 2,931 (2,878) employees. The increase in number of employees is a net effect of redundancies resulting from the business combination, the ongoing reorganisation of the sales organisation and new recruitments. Recruitments were made during 2014, mainly to replace services previously purchased externally in order to streamline operations and achieve cost savings. The new recruitments made during 2015 aim to strengthen certain functions and to prepare for coming retirements.

Of Munksjö's total number of employees at the end of June 37% (38%) were employed in France, 22% (21%) in Sweden, 16% (17%) in Germany, 9% (9%) in Italy, 9% (8%) in Brazil, 6% (6%) in Spain and 1% (1%) in other countries. More information about Munksjö's employees is published in the Annual report.

Share-based incentive programmes

In May 2014, the Board of Directors of Munksjö Oyj approved a long-term share-based incentive programme for Munksjö's senior executives and other key personnel, approximately 35 persons. 31 senior executives and other key personnel have enrolled to the programme. Additional information related to the repurchase of own shares related to the share-based incentive programmes can be found under *"Shares and shareholders*". The total cost for the programme will be recognised over the vesting period which commenced in July 2014 and ends on 31 December 2016. The personnel expense related to the incentive programme in January-June 2015 was EUR 0.5 (0.0) million.

Munksjö reorganises its sales organisation

On 10 December 2014 Munksjö announced that the company plans to simplify its sales organisation by reorganising certain sales functions. The reorganisation is subject to consultation and approval processes in accordance with local legislation in the countries affected. The overall model is one customer service hub per Business Area in Europe, and Group sales offices in Brazil, China, the US and Russia. By moving customer service closer to supply and planning, pooling resources and avoiding sales office costs, Munksjö would improve profitability and the supply chain process would be more efficient. As a result some regional offices may be closed or have a reduction in the number of employees. The following sales offices are affected by the changes; Wavre in Belgium, Lingolsheim, Pont Eveque, and Fontenay-sous-Bois in France, Munich in Germany, Legnano and Turin in Italy and Spain. The number of employees affected by the reorganisation will be approximately 30.

The majority of the consultation and approval processes are now completed and the reorganisation and its implementation is continuing according to plan. As previously communicated, the expected annual savings are approximately EUR 1-1.5 million, of which a majority are expected to be realised by 2016.

Product development

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

Risks and uncertainty factors

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

Munksjö's significant risks and uncertainty factors mainly consist of developments in demand and prices of sold products, the cost and availability of significant raw materials, financial risks, as well as other business factors including developments on the financial markets. The significant cost items for raw materials are wood, pulp, titanium dioxide and energy. Munksjö's key financial risks include interest rate and currency risks, liquidity risk and credit risk. The Group has exposure to tax risks due to potential changes in tax laws or regulations or their application, or as a result of ongoing and future tax audits.

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

Shares and shareholders

The Munksjö Oyj share is traded on Nasdaq Helsinki, Finland under the trading symbol MUNK1 and as of 8 December 2014 also on Nasdaq Stockholm under the trading symbol MUNK1S.

The share capital of Munksjö Oyj amounts to EUR 15,000,000 and the total number of shares as of 2 December 2013 amounts to 51,061,581. All shares carry one vote each and have equal rights. On 30 June 2015, Munksjö held 300,000 own shares, corresponding to about 0.6 per cent of of the total number of shares and votes.

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

Munksjö Oyj's Annual General Meeting (AGM) was held in Helsinki on 15 April 2015. The AGM adopted the Financial Statements for 2014 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2014.

The AGM resolved that no dividend will be paid for the fiscal year 2014 and to pay funds from the reserve for invested non-restricted equity as return of equity based on the balance of 31 December 2014 adopted by the AGM, the amount of return being EUR 0.25 per share. The return of equity was paid to a shareholder who on the record date of the payment 17 April 2015 was registered in the shareholder register of the company held by Euroclear Finland Ltd. The return of equity was paid to shareholders on 24 April 2015.

The AGM resolved that the number of Board members should be six. The AGM resolved that Sebastian Bondestam, Fredrik Cappelen, Alexander Ehrnrooth, Hannele Jakosuo-Jansson, Elisabet Salander Björklund and Peter Seligson were re-elected. The Board members were elected for the period ending at the close of the next Annual General Meeting.

The AGM resolved to re-elect KPMG Oy Ab as the company's auditor. KPMG Oy Ab has designated Authorized Public Accountant Sixten Nyman as the Responsible Auditor.

The AGM authorized the Board of Directors to resolve to repurchase and to distribute a maximum of 4,000,000 of the company's own shares as well as to accept them as pledge in one or more instalments. The authorizations for the Board of Directors to repurchase the company's own shares, to distribute them as well as to accept them as pledge are valid for 18 months from the close of the Annual General Meeting but will, however, expire at the close of the next Annual General Meeting, at the latest.

The organisation meeting of the Board of Directors, which was held immediately after the AGM, elected Peter Seligson as Chairman and Fredrik Cappelen as Vice Chairman of the Board. The Board appointed two permanent committees, the Audit Committee and the Remuneration Committee. The members of the Audit Committee are Elisabet Salander Björklund (Chairman), Alexander Ehrnrooth and Sebastian Bondestam. The members of the Remuneration Committee are Peter Seligson (Chairman), Fredrik Cappelen and Hannele Jakosuo-Jansson.

Repurchase of own shares related to the share-based incentive programmes

The Board of Directors in February 2015 decided to utilise the authorization given by the Annual General Meeting held on 2 April 2014, and repurchase a maximum of 300,000 own shares. The repurchases continued after the publication of the interim report for January-March 2015, based on the authorisation given by the Annual General Meeting, held on 15 April 2015. The repurchased shares will be used primarily for implementing share-based incentive programmes of the company, or for other purposes defined in the authorization of the Annual General Meeting.

In May 2014, the Board of Directors approved a long-term share-based incentive programme for Munksjö's senior executives and other key personnel. Based on the participants invested number of saving shares, the maximum gross value of the programme, if the targets set for the programme are met in full, will correspond to approximately 410,000 shares.

The repurchases started on 16 February 2015 and ended on 21 May 2015. During this period, Munksjö repurchased 300,000 shares, corresponding to about 0.6 per cent of the total number of shares and votes. The shares were acquired through public trading on Nasdaq Helsinki at the market price prevailing at the time of repurchase. Munksjö did not before the start of the repurchases hold any own shares.

Share development and shareholders

The trading in Munksjö Oyj shares on Nasdaq Helsinki commenced on 7 June 2013. During the reporting period January-June 2015, that consisted of 122 (122) trading days, the trading volume on Nasdaq Helsinki was 10,094,147 (12,898,706) shares, equivalent to a turnover of EUR 100,727,778 (78,829,859). The daily average trading volume during the reporting period was 82,739 (105,727) shares and the volume-weighted average share price was EUR 10.00 (6.35). The highest share price in the reporting period was EUR 12.49 (7.25) and the lowest EUR 9.00 (5.11). On the last trading day of the reported trading period, 30 June 2015, the share price was EUR 9.60 (30 June 2014: 6.71) and the corresponding market capitalisation was EUR 487.3 million (30 June 2014: 342.6). The market capitalisation in 2015 is adjusted with the shares held by the company at the end of the reporting period. In 2014, Munksjö did not hold any own shares.

The trading in Munksjö Oyj shares on Nasdaq Stockholm commenced on 8 December 2014 and hence comparative figures are not presented. During the reporting period January-June 2015, that consisted of 122 trading days, the trading volume on Nasdaq Stockholm was 2,384,567 shares, equivalent to a turnover of SEK 223,415,831. The daily average trading volume in the reported period was 19,546 shares and the volume-weighted average share price was SEK 93.68. The highest share price in the reporting period was SEK 119.00 and the lowest SEK 85.00. On the last trading day of the reported trading period, 30 June 2015, the share price was SEK 90.25.

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

Flagging notifications

During the reporting period January-June 2015, Munksjö received two announcements about major changes with regards to the holdings of the largest shareholders. Information about the largest shareholders in Munksjö is available on the investor website at www.munksjo.com. The information is updated on a regular basis.

Change in the holding of Lannebo Fonder AB

On 8 May 2015, Munkjsö received an announcement referred to in Chapter 9, Section 5 of the Securities Markets Act, according to which Lannebo Fonder AB’s holding in Munksjö had fallen below the threshold of 5 per cent. According to the announcement, the direct holding of Lannebo Fonder AB had on 6 May 2015 decreased to 2 465 116 shares, corresponding to 4.83 per cent of Munksjö's shares and voting rights.

Change in the holding of Ahlstrom Corporation

On 11 May 2015, Munkjsö received an announcement referred to in Chapter 9, Section 5 of the Finnish Securities Markets Act from Ahlstrom Corporation. According to the announcement, the direct holding of Ahlstrom Corporation had on 11 May 2015 fallen below the threshold of 5 percent and had decreased to 1,300,981 shares, corresponding to 2.55 per cent of Munksjö's shares and voting rights.

Nomination Board appointed

Munksjö's Nomination Board was appointed in June 2015. The Nomination Board comprises representatives of the three largest shareholders of the company and, in addition, two expert members: the Chairman of the Board of Directors and a person nominated by the Board of Directors. The following three persons have been appointed as representatives in the Nomination Board:

- Thomas Ahlström (Ahlström Capital Oy and others),
- Alexander Ehrnrooth (Viknum AB) and
- Mikko Mursula (Ilmarinen Mutual Pension Insurance Company).

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

The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the company is on 31 May preceding the next Annual General Meeting the largest on the basis of the shareholders' register of Munksjö held by Euroclear Finland Euroclear Finland Ltd and the register of shareholders held by Euroclear Sweden AB. The Nomination Board has been appointed by one group of shareholders, as described below, Viknum AB and Ilmarinen Mutual Pension Insurance Company.

Holdings by a group of shareholders, who have agreed to nominate a joint representative to the Nomination Board, are summed up when calculating the share of all the voting rights, provided that the shareholders in question present a joint written request to that effect together with a copy of such an agreement to the Chairman of the Board no later than on 30 May preceding the Annual General Meeting. Munksjö has been informed that such an agreement has been made by AC Invest Five B.V. (a fully owned subsidiary of Ahlström Capital Oy), Kai Nahi, Kasper Kylmälä, Michael Sumelius and Carl Ahlström.

The Nomination Board prepares 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.

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.

Appointments and changes in the Management Team

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

On 30 March 2015, Munksjö announced that Norbert Mix had been appointed President Business Area Decor as of 1 July 2015. Mr. Mix (b. 1957) is currently Business Area Manager Sales & Marketing Décor and has been employed by Munksjö and its predecessors since 2006. He will continue to report to President and CEO Jan Åström. Mr. Mix has previously held leading positions within Munksjö, Technocell and PWA in both Europe and North America. He holds a M. Sc. in Finance and Forestry Economics. He is a German citizen. Christian Mandl (b. 1949), Business Area Manager Manufacturing Decor and member of the Management Team, retired as planned on 1 July 2015.

On 15 June 2015, Munksjö announced that Åsa Fredriksson, Senior Vice President Human Resources and Communications, will leave Munksjö to continue her career outside the company. Åsa Fredriksson will leave Munksjö at the end of September, 2015. Additional information can be found under *"Events after the end of the reporting period*".

Events after the end of the reporting period

Åsa Jackson appointed SVP Human Resources

On 22 July 2015, Munksjö announced that Åsa Jackson had been appointed Senior Vice President Human Resources (SVP HR) and member of Munksjö's Management Team. Åsa Jackson (Master of Business Administration and Economics) will be joining Munksjö from ABB Sweden, where she currently is the Country HR Manager and a member of the Country

Management Team. Her previous positions include several senior positions in HR at ABB in Sweden and abroad. Åsa Jackson will join Munksjö on 31 October 2015, and she will report to Jan Åström, President and CEO of Munksjö Oyj.

Strategy and financial targets

Munksjö's vision is to be the leading manufacturer of advanced paper products developed with intelligent paper technology enabling a customer-specific, innovative and environmentally friendly product design. Munksjö's strategy is based on four strategic objectives and is enabled through sustainable development by an efficient organisation and employees;

- Profitable growth in specialty paper
- A leading supplier in all our markets
- Highest quality in products and services
- Operational efficiency

Munksjö has three financial goals;

- an EBITDA margin of 12 per cent over a business cycle
- a debt/equity ratio under 80 per cent
- dividends at least 1/3 of the operative cash flow after investments

The EBITDA margin target will be achieved through efforts and initiatives including; continued organic growth, reinforced market positions in existing product segments, strengthened positions in emerging markets, continued adjustments of the cost structure, measures to improve efficiency in production and further develop the technical service offering.

The EBITDA margin targets per business area are 15-16 per cent for Decor, 12-13 per cent for Release Liners, 15-16 per cent for Industrial Applications and 9-10 per cent for Graphics and Packaging. The ambition is to reach these targets at the end of 2016.

Helsinki, 23 July 2015

Board of Directors

For further information, please contact

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

Pia Aaltonen-Forsell, CFO, Tel. +46 10 250 1029

Future financial reports

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

January-September	Tuesday, 3 November 2015
Financial Statements Bulletin for 2015	Thursday, 11 February 2016

All financial reports are published in English, Finnish and Swedish and they are also available at www.munksjo.com after the publication. Munksjö observes a 21 day silent period preceding the announcement of financial results.

The latest Annual report was published in March 2015 and includes the Financial Statements for the year 2014, the Board of Director's report and the Auditors' report as well as the Corporate Governance Statement. The Annual report, the Corporate Governance Statement and a Remuneration Statement are available as separate documents on www.munksjo.com.

Made by Munksjö - Intelligent paper technology

Munksjö is a world-leading manufacturer of advanced paper products developed with intelligent paper technology. Munksjö offers customer-specific innovative design and functionality in areas ranging from flooring, kitchens and furnishings to release papers, consumer-friendly packaging and energy transmission. The transition to a sustainable society is a natural driving force for Munksjö's growth as the products can replace non-renewable materials. This is what "Made by Munksjö" stands for. Given Munksjö's global presence and way of integrating with the customers, the company forms a worldwide service organisation with approximately 2,900 employees and 15 facilities located in France, Sweden, Germany, Italy, Spain, Brazil and China. Munksjö's share is listed on Nasdaq in Helsinki and Stockholm. Read more at www.munksjo.com.

Interim financial statements (unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME	Apr-Jun		Jan-Jun		Jan-Dec
MEUR	2015	2014	2015	2014	2014
Net sales	291.2	292.5	571.4	580.4	1,137.3
Other operating income	2.6	3.0	6.0	5.7	11.4
Total operating income	**293.8**	**295.5**	**577.4**	**586.1**	**1,148.7**
Operating costs					
Changes in inventories	5.7	5.1	16.0	13.8	1.1
Materials and supplies	-149.9	-146.4	-297.4	-292.1	-557.2
Other external costs	-75.2	-75.8	-144.6	-152.8	-292.7
Personnel costs	-51.9	-53.0	-102.4	-103.3	-200.5
Depreciation and amortisation	-13.5	-12.6	-26.8	-26.3	-54.0
Total operating costs	**-284.8**	**-282.7**	**-555.2**	**-560.7**	**-1,103.3**
Share of profit in equity accounted investments	0.1	0.0	0.1	0.1	0.0
Operating result	**9.1**	**12.8**	**22.3**	**25.5**	**45.4**
Net financial items	-4.6	-5.3	-2.6	-12.0	-28.5
Profit before tax	**4.5**	**7.5**	**19.7**	**13.5**	**16.9**
Taxes	-1.8	-3.4	-7.3	-5.1	-9.2
Net profit	**2.7**	**4.1**	**12.4**	**8.4**	**7.7**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations for the period	2.5	-0.5	-5.8	2.4	-5.7
Change in cash flow hedge reserve	1.5	-2.0	-1.4	-3.5	-7.3
Cash flow hedge transferred to this year's result	1.7	0.7	4.2	1.0	4.5
Items that will not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans	-	-	-	-	-6.3
Tax attributable to other comprehensive income	-0.6	0.8	-0.5	1.0	2.1
Comprehensive income	**7.8**	**3.1**	**8.9**	**9.3**	**-5.0**
Net result attributable to:					
Parent company's shareholders	2.6	3.8	12.1	8.1	7.0
Non-controlling interests	0.1	0.3	0.3	0.3	0.7
Comprehensive income attributable to:					
Parent company's shareholders	7.7	2.8	8.6	9.0	-5.7
Non-controlling interests	0.1	0.3	0.3	0.3	0.7
*Average number of outstanding shares**	50,785,897	51,061,581	50,874,939	51,061,581	51,061,581
Basic earnings per share, EUR	0.05	0.07	0.24	0.16	0.14
Diluted earnings per share, EUR	0.05	0.07	0.24	0.16	0.14

* As adjusted for treasury shares

CONDENSED STATEMENT OF FINANCIAL POSITION			
	30 Jun		31 Dec
MEUR	2015	2014	2014
ASSETS			
Non-current assets			
Tangible assets	437.4	446.1	446.4
Goodwill	226.0	227.5	226.7
Other intangible assets	51.7	58.3	55.2
Equity accounted investments	2.3	2.4	2.2
Other non-current assets	3.9	3.6	3.9
Deferred tax assets	59.1	61.5	60.2
Total non-current assets	**780.4**	**799.4**	**794.6**
Current assets			
Inventory	173.6	164.0	152.2
Accounts receivable	137.4	136.3	114.6
Other current assets	32.6	27.1	31.8
Current tax assets	8.0	1.7	2.2
Cash and cash equivalents	50.2	61.1	84.1
Total current assets	**401.8**	**390.2**	**384.9**
TOTAL ASSETS	**1,182.2**	**1,189.6**	**1,179.5**
EQUITY AND LIABILITIES			
Equity	**406.5**	**427.7**	**413.6**
Non-current liabilities			
Non-current borrowings	263.0	260.7	271.7
Other non-current liabilities	1.4	0.3	1.0
Pension obligations	51.6	45.1	51.0
Deferred tax liabilities	81.3	90.1	84.7
Provisions	22.7	24.0	23.5
Total non-current liabilities	**420.0**	**420.2**	**431.9**
Current liabilities			
Current borrowings	50.8	45.7	41.6
Accounts payable	174.8	164.7	164.3
Liabilities to equity accounted investments	8.1	8.1	8.3
Accrued expenses and deferred income	97.1	100.2	100.0
Current tax liabilities	13.8	10.5	8.2
Other current liabilities and provisions	11.1	12.5	11.6
Total current liabilities	**355.7**	**341.7**	**334.0**
Total liabilities	**775.7**	**761.9**	**765.9**
TOTAL EQUITY AND LIABILITIES	**1,182.2**	**1,189.6**	**1,179.5**

CONDENSED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Reserve for invested unrestricted equity	Other reserves	Treasury shares	Cumulative translation adjustment	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2014	**15.0**	**287.1**	**387.3**	**0.0**	**7.1**	**-276.3**	**420.2**	**3.6**	**423.8**
Result for the period	-	-	-	-	-	8.1	8.1	0.3	8.4
Other comprehensive income	-	-	-2.0	-	2.9	-	0.9	-	0.9
Total comprehensive income	**0.0**	**0.0**	**-2.0**	**0.0**	**2.9**	**8.1**	**9.0**	**0.3**	**9.3**
Return of capital and dividends	-	-5.1	-	-	-	-	-5.1	-0.3	-5.4
Balance at 30 June 2014	**15.0**	**282.0**	**385.3**	**0.0**	**10.0**	**-268.2**	**424.1**	**3.6**	**427.7**
Result for the period	-	-	-	-	-	-1.1	-1.1	0.4	-0.7
Other comprehensive income	-	-	-0.2	-	-8.6	-4.8	-13.6	-	-13.6
Total comprehensive income	**0.0**	**0.0**	**-0.2**	**0.0**	**-8.6**	**-5.9**	**-14.7**	**0.4**	**-14.3**
Employee share incentive plan	-	-	-	-	-	0.2	0.2	-	0.2
Balance at 31 December 2014	**15.0**	**282.0**	**385.1**	**0.0**	**1.4**	**-273.9**	**409.6**	**4.0**	**413.6**
Result for the period	-	-	-	-	-	12.1	12.1	0.3	12.4
Other comprehensive income	-	-	2.3	-	-5.8	-	-3.5	-	-3.5
Total comprehensive income	**0.0**	**0.0**	**2.3**	**0.0**	**-5.8**	**12.1**	**8.6**	**0.3**	**8.9**
Purchase of Munksjö Oyj shares	-	-	-	-3.1	-	-	-3.1	-	-3.1
Return of capital and dividends	-	-12.7	-	-	-	-	-12.7	-0.3	-13.0
Employee share incentive plan	-	-	-	-	-	0.1	0.1	-	0.1
Balance at 30 June 2015	**15.0**	**269.3**	**387.4**	**-3.1**	**-4.4**	**-261.7**	**402.5**	**4.0**	**406.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS					
	Apr-Jun		Jan-Jun		Jan-Dec
MEUR	2015	2014	2015	2014	2014
Operating profit	9.1	12.8	22.3	25.5	45.4
Depreciation	13.5	12.6	26.8	26.3	54.0
Income taxes paid	-8.0	-2.4	-9.7	-6.0	-13.9
Interest paid and received	-2.8	-4.1	-5.8	-8.5	-17.0
Cash flow from operating activities before change in working capital	**11.8**	**18.9**	**33.6**	**37.3**	**68.5**
Change in inventories	-9.5	-6.5	-21.4	-17.4	-5.6
Change in operating liabilities	9.0	-4.1	12.6	-4.4	-14.9
Change in operating receivables	-5.5	2.6	-23.6	-7.2	9.8
Cash generated from operating activities	**5.8**	**10.9**	**1.2**	**8.3**	**57.8**
Purchase of intangible assets	0.0	-0.9	-0.2	-1.6	-2.0
Purchase of tangible assets	-11.1	-7.7	-19.8	-12.5	-33.1
Cash flow used in investing activities	**-11.1**	**-8.6**	**-20.0**	**-14.1**	**-35.1**
Return of equity and dividends	-12.7	-5.4	-13.0	-5.4	-5.4
Purchase of own shares	-0.8	-	-3.1	-	-
Proceeds from borrowings, net of costs	10.0	-	10.0	-	291.8
Repayment of borrowings	-0.4	-12.4	-8.9	-12.8	-307.4
Cash flow from financing activities	**-3.9**	**-17.8**	**-15.0**	**-18.2**	**-21.0**
CASH FLOW FOR THE PERIOD	**-9.2**	**-15.5**	**-33.8**	**-24.0**	**1.7**
Cash and cash equivalents at the beginning of the period	60.2	75.2	84.1	83.1	83.1
Currency effects on cash and cash equivalents	-0.8	1.4	-0.1	2.0	-0.7
Cash and cash equivalents at the end of the period	**50.2**	**61.1**	**50.2**	**61.1**	**84.1**

Notes to the interim financial statements

Accounting principles

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

SEGMENT INFORMATION 2015 Jan-Jun 2015 MEUR	Decor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	186.8	213.7	84.9	89.6	-3.6	571.4
Net sales, internal	2.1	5.7	0.7	1.1	-9.6	0.0
Net sales	**188.9**	**219.4**	**85.6**	**90.7**	**-13.2**	**571.4**
Operating result	**19.6**	**3.8**	**12.8**	**-1.3**	**-12.6**	**22.3**
Operating margin, %	10.4%	1.7%	15.0%	-1.4%		3.9%
Net financial items						-2.6
Taxes						-7.3
Net result						**12.4**
Other information						
Capital expenditure	4.8	8.8	3.6	0.8	2.0	20.0
Return on operating capital, % (adjusted)	16.6	5.1	24.7	-6.5		7.0
Depreciation	3.8	14.4	3.9	4.0	0.7	26.8
Employees, FTE	855	864	563	427	59	2,768

SEGMENT INFORMATION 2014 Jan-Jun 2014 MEUR	Decor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	193.3	213.6	83.8	90.3	-0.6	580.4
Net sales, internal	0.6	4.8	1.5	0.0	-6.9	0.0
Net sales	**193.9**	**218.4**	**85.3**	**90.3**	**-7.5**	**580.4**
Operating result	**20.0**	**3.6**	**9.6**	**0.3**	**-8.0**	**25.5**
Operating margin, %	10.3%	1.6%	11.3%	0.3%		4.4%
Net financial items						-12.0
Taxes						-5.1
Net result						**8.4**
Other information						
Capital Expenditure	2.9	4.2	2.5	1.7	2.8	14.1
Return on operating capital, % (adjusted)	11.4	1.6	19.2	-8.9		4.2
Depreciation	4.6	14.3	3.7	3.1	0.6	26.3
Employees, FTE	884	842	549	441	54	2,770

SEGMENT FINANCIAL INFORMATION PER QUARTER	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
Net sales, MEUR										
Decor	93.4	95.5	91.4	89.4	96.4	97.5	89.9	86.8	95.5	96.0
Release Liners	112.6	106.8	112.9	114.7	111.5	106.9	87.3	85.3	53.1	23.4
Industrial Applications	44.0	41.6	40.9	33.0	43.7	41.6	42.3	35.6	42.1	38.0
Graphics and Packaging	47.2	43.5	40.7	41.8	45.7	44.6	40.4	41.2	20.8	-
Other and eliminations	-6.0	-7.2	-4.9	-3.0	-4.8	-2.7	-4.2	-3.8	-3.5	-2.9
Group	**291.2**	**280.2**	**281.0**	**275.9**	**292.5**	**287.9**	**255.7**	**245.1**	**208.0**	**154.5**
EBITDA (adj.*), MEUR										
Decor	11.6	11.8	11.3	10.3	11.0	13.6	8.7	6.0	9.4	9.6
Release Liners	8.5	9.7	13.4	13.0	8.9	9.0	5.9	6.0	4.0	-0.2
Industrial Applications	7.9	8.8	7.1	3.8	6.9	6.4	5.7	1.7	5.0	3.7
Graphics and Packaging	1.1	1.6	1.2	-0.1	2.1	1.3	-0.5	-1.3	0.3	-
Other and eliminations	-4.1	-5.4	-4.6	-3.8	-2.9	-2.9	-3.8	-1.4	-2.2	-1.6
Group	**25.0**	**26.5**	**28.4**	**23.2**	**26.0**	**27.4**	**16.0**	**11.0**	**16.5**	**11.5**
EBITDA, MEUR										
Decor	11.6	11.8	10.0	10.3	11.0	13.6	2.1	5.5	9.4	9.3
Release Liners	8.5	9.7	12.6	13.0	8.9	9.0	4.2	5.8	3.0	-0.2
Industrial Applications	7.9	8.8	6.7	3.8	6.9	6.4	4.9	1.7	4.5	3.7
Graphics and Packaging	1.1	1.6	1.2	-0.1	2.1	1.3	-6.0	-2.2	-0.8	-
Other and eliminations	-6.5	-5.4	-5.8	-4.1	-3.5	-3.9	-5.8	-1.7	-27.3	-4.2
Group	**22.6**	**26.5**	**24.7**	**22.9**	**25.4**	**26.4**	**-0.6**	**9.1**	**-11.1**	**8.5**
Operating result (adj.*), MEUR										
Decor	9.7	9.9	9.0	8.1	9.2	10.8	4.6	3.5	6.8	7.0
Release Liners	1.3	2.5	6.7	5.8	1.8	1.8	0.3	1.0	1.1	-2.0
Industrial Applications	5.9	6.9	5.3	1.8	5.1	4.5	3.9	-0.2	3.1	1.8
Graphics and Packaging	-1.0	-0.3	-0.5	-1.7	0.4	-0.1	-2.1	-2.7	-0.3	-
Other and eliminations	-4.4	-5.8	-6.1	-4.5	-3.1	-3.3	-4.1	-1.8	-2.4	-1.8
Group	**11.5**	**13.2**	**14.4**	**9.5**	**13.4**	**13.7**	**2.6**	**-0.2**	**8.3**	**5.0**
Operating result, MEUR										
Decor	9.7	9.9	7.7	8.1	9.2	10.8	-2.0	3.0	6.8	6.7
Release Liners	1.3	2.5	5.9	5.8	1.8	1.8	-1.4	0.8	0.1	-2.0
Industrial Applications	5.9	6.9	4.9	1.8	5.1	4.5	3.1	-0.2	2.6	1.8
Graphics and Packaging	-1.0	-0.3	-0.5	-1.7	0.4	-0.1	-7.6	-3.6	-1.4	-
Other and eliminations	-6.8	-5.8	-7.3	-4.8	-3.7	-4.3	-6.1	-2.1	-27.4	-4.5
Group	**9.1**	**13.2**	**10.7**	**9.2**	**12.8**	**12.7**	**-14.0**	**-2.1**	**-19.3**	**2.0**
Delivered volume, metric tonnes										
Decor	46,200	46,800	44,300	43,300	46,100	46,600	42,800	41,500	45,900	44,600
Release Liners	127,500	118,200	128,700	131,500	127,500	124,500	100,100	101,900	67,000	44,500
Industrial Applications	22,700	21,200	20,700	18,900	21,600	22,800	20,900	18,500	21,800	20,300
Graphics and Packaging	34,000	31,400	31,200	32,600	36,600	35,700	32,700	33,600	17,400	-
Other and eliminations	-3,900	-4,600	-3,300	-2,500	-3,400	-4,000	-4,100	-3,000	-3,900	-3,100
Group	**226,500**	**213,000**	**221,600**	**223,800**	**228,400**	**225,600**	**192,400**	**192,500**	**148,200**	**106,300**

* Adjusted for non-recurring items

CONSOLIDATED KEY RATIOS	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Margins (adjusted)					
EBITDA margin, %	8.6%	8.9%	9.0%	9.2%	9.2%
Operating margin, %	3.9%	4.6%	4.3%	4.7%	4.5%
Return (12 months continuous)					
Return on operating capital, % (adjusted)	7.0%	5.1%	7.0%	5.1%	7.3%
Return on shareholders' equity, %	2.8%	-5.0%	2.8%	-5.0%	1.8%
Capital structure at period's end					
Operating capital, MEUR	696.8	710.4	696.8	710.4	673.2
Shareholders' equity, MEUR	406.5	427.7	406.5	427.7	413.6
Interest-bearing net debt, MEUR	260.8	241.5	260.8	241.5	225.6
Debt/equity ratio, %	64.2%	56.5%	64.2%	56.5%	54.5%
Equity/assets ratio, %	34.4%	36.0%	34.4%	36.0%	35.1%
Per share (before and after dilution)					
Earnings per share, EUR	0.05	0.07	0.24	0.16	0.14
Shareholders' equity per share, EUR	8.0	8.4	8.0	8.4	8.1
Average number of shares	50,785,897	51,061,581	50,874,939	51,061,581	51,061,581
Capital expenditure, MEUR	11.1	8.6	20.0	14.1	35.1
Employees, FTE	2,785	2,770	2,768	2,770	2,765

CURRENCY RATES	Closing rate			Average rate		
	30 June 2015	30 June 2014	31 Dec 2014	Jan-June 2015	Jan-June 2014	Jan-Dec 2014
SEK	9.22	9.18	9.39	9.34	8.95	9.10
USD	1.12	1.37	1.21	1.12	1.37	1.33
BRL	3.47	3.00	3.22	3.31	3.15	3.12

PRO FORMA SEGMENT INFORMATION

On 28 August 2012 a business combination agreement for the purpose of combining Munksjö AB and Ahlstrom Corporation's business area Label and Processing business in Europe and in Brazil into Munksjö Oyj was signed. The following table presents pro forma financial information to illustrate the financial impact of the combination. This information is presented for illustrative purposes only.

As the combination was completed during 2013, the pro forma information is only consolidated until the fourth quarter 2013. From the first quarter 2014 the reported figure is used.

The pro forma statement of comprehensive income for 2013 has been compiled assuming that the combination had been completed on 1 January 2012. Information on how the pro forma information is compiled is described in the Financial Statements Bulletin 2013, published on 13 February 2014.

MEUR	Jan-Dec 2013	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
Pro forma Net sales					
Decor	368.2	89.9	86.8	95.5	96.0
Release Liners	432.8	96.8	105.3	118.6	112.1
Industrial Applications	158.0	42.3	35.6	42.1	38.0
Graphics and Packaging	175.9	40.4	41.2	47.0	47.3
Eliminations and other	-14.6	-4.2	-3.8	-3.6	-3.0
Group	**1,120.3**	**265.2**	**265.1**	**299.6**	**290.4**
Pro forma EBITDA					
Decor	26.3	2.1	5.5	9.4	9.3
Release Liners	21.2	4.8	6.5	4.5	5.4
Industrial Applications	14.7	4.9	1.7	4.5	3.6
Graphics and Packaging	-7.0	-6.0	-2.2	-0.6	1.8
Eliminations and other	-12.9	-4.8	-1.7	-4.5	-1.9
Group	**42.3**	**1.0**	**9.8**	**13.3**	**18.2**
Non-recurring items by segment					
Decor	7.4	6.6	0.5	-	0.3
Release Liners	2.7	1.9	0.6	0.2	-
Industrial Applications	1.3	0.8	0.0	0.5	-
Graphics and Packaging	6.4	5.5	0.9	-	-
Eliminations and other	4.0	1.0	0.3	2.3	0.4
Group	**21.8**	**15.8**	**2.3**	**3.0**	**0.7**
Pro forma EBITDA excluding non-recurring items					
Decor	33.7	8.7	6.0	9.4	9.6
Release Liners	23.9	6.7	7.1	4.7	5.4
Industrial Applications	16.0	5.7	1.7	5.0	3.6
Graphics and Packaging	-0.6	-0.5	-1.3	-0.6	1.8
Eliminations and other	-8.9	-3.8	-1.4	-2.2	-1.5
Group	**64.1**	**16.8**	**12.1**	**16.3**	**18.9**
Delivered volume, metric tonnes					
Decor	174,800	42,800	41,500	45,900	44,600
Release Liners	497,500	116,600	127,700	126,600	126,600
Industrial Applications	81,500	20,900	18,500	21,800	20,300
Graphics and Packaging	145,600	32,700	33,600	40,700	38,600
Eliminations and other	-14,100	-4,100	-3,000	-3,900	-3,100
Group	**885,300**	**208,900**	**218,300**	**231,100**	**227,000**

Calculation of key figures

EBITDA
Operating result before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of net sales.

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

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

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

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

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

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

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

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

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

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

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

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