

## M-real's operating result excluding non-recurring items for 2008 EUR -35 million

### Full year result for 2008

- Sales EUR 3,236 million (2007: 3,499)
- Operating result excluding non-recurring items EUR -35 million (75). Operating result including non-recurring items EUR -61 million (-49)
- Result before taxes excluding non-recurring items EUR -178 million (-67). Result before taxes including non-recurring items EUR -204 million (-191)
- Result per share from continuing operations excluding non-recurring items EUR -0.48 (-0.17), and, including non-recurring items EUR -0.55 (-0.51)

### Result for October–December

- Sales EUR 722 million (Q3/2008: 826)
- Operating result excluding non-recurring items EUR -51 million (3). Operating result including non-recurring items EUR -161 million (-8)
- Result before taxes excluding non-recurring items EUR -87 million (-34). Result before taxes including non-recurring items EUR -197 million (-45)
- Result per share from continuing operations excluding non-recurring items EUR -0.17 (-0.13), and, including non-recurring items EUR -0.50 (0.15)

### Events during the fourth quarter

- the sale of Graphic Papers business to Sappi was closed at end of December 2008

### Events after the period

- The new management and reporting structure including the Consumer Packaging, Office Papers and Other Papers business areas as well as the Market Pulp and Energy reporting segment was announced.
- Statutory negotiations concerning 1,500 people in mill operations in Finland began.
- Statutory negotiations concerning 480 people began at the Hallein mill in Austria to discontinue paper production by the end of April. At Gohrsmühle, Germany, standard fine paper production will be discontinued during April while the production of speciality papers and uncoated fine paper reels and folio sheets will be expanded.
- The annual impairment testing resulted in the recognition of impairment losses of EUR 86 million in the results for the final quarter of 2008.
- A new EUR 80 million profit improvement programme and a separate programme of EUR 60 million to boost the cash flow were launched.

***“The Graphic Papers divestment to Sappi, which is the most significant step in our strategic review so far, was closed at the end of December. This deal considerably improved M-real's profitability, financial position and outlook. The decline in demand late last year exceeded typical seasonal fluctuation and thus prompted us to launch statutory negotiations in January concerning mill operations in Finland. Cost inflation has eased off and we expect the impact of the new profit improvement programme together with the earlier implemented measures to clearly exceed the 2009 cost inflation. The main target for the year is to boost operative cash flow.”***

**Mikko Helander, CEO, M-real Corporation**

*M-real is Europe's leading primary fibre paperboard producer and a major paper supplier. It offers premium solutions for consumer packaging and communications and advertising end-uses. M-real's sales network serves brand owners, converters, publishers, printing houses, merchants and office suppliers.*

*M-real is part of Metsäliitto Group and is listed on the NASDAQ OMX Helsinki Ltd. In 2008, M-real's sales totalled EUR 3.2 billion. M-real has approximately 6,500 employees*

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KEY FIGURES	2008	2007	2008	2008	2008	2008
			Q4	Q3	Q2	Q1
Sales, EUR million	3,236	3,499	722	826	829	859
EBITDA, EUR million	254	398	-18	49	127	96
excl. non-recurring items, EUR million	192	313	4	60	55	73
Operating result, EUR million	-61	-49	-161	-8	71	37
excl. non-recurring items, EUR million	-35	75	-51	3	-1	14
Result before taxes						
from continuing operations, EUR million	-204	-191	-197	-45	36	2
excl. non-recurring items, EUR million	-178	-67	-87	-34	-36	-21
Result for the period						
from continuing operations, EUR million	-170	-168	-163	-44	37	0
from discontinued operations, EUR million	-338	-27	-62	-212	-45	-19
Total, EUR million	-508	-195	-225	-256	-8	-19
Result per share						
from continuing operations, EUR	-0.55	-0.51	-0.50	-0.15	0.10	0.00
from discontinued operations, EUR	-1.03	-0.08	-0.19	-0.64	-0.14	-0.06
Total, EUR	-1.58	-0.59	-0.69	-0.79	-0.04	-0.06
Result per share excl. non-recurring items, EUR	-0.48	-0.17	-0.17	-0.13	-0.12	-0.06
Return on equity, %	-10.4	-8.5	-43.3	-10.1	7.9	0.0
excl. non-recurring items, %	-9.0	-2.8	-14.5	-8.3	-7.4	-4.8
Return on capital employed, %	-1.3	-0.8	-19.7	-0.5	8.9	5.7
excl. non-recurring items, %	-0.5	2.8	-6.2	1.0	-0.2	2.9
Equity ratio at end of period, %	30.8	34.4	30.8	32.5	36.5	35.0
Gearing ratio at end of period, %	152	124	152	129	112	120
Net gearing ratio at end of period, %	90	99	90	114	100	100
Interest-bearing net liabilities	1,254	1,867	1,254	1,865	1,888	1,892
Gross investments, EUR million	128	259	39	38	30	21
Deliveries, 1,000 tonnes						
Paper businesses	1,761	1,911	394	438	448	481
Consumer Packaging	1,345	1,386	303	348	351	342
Personnel						
In continuing operations	6,546	7,241	6,546	6,679	7,035	6,866
In discontinued operations		2,267		2,159	2,322	2,256
Dividend proposed by the Board of Directors EUR/share	0.00	0.06				

Map Merchant Group divested in 2007 and Graphic Papers business divested in 2008 have been reported in Discontinued operations.

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### **Result for 2008 compared to 2007**

M-real's sales totalled EUR 3,236 million (2007: 3,499). Comparable sales were down 5.9%. The operating result was EUR -61 million (-49), and the operating result excluding non-recurring items was EUR -35 million (75).

The non-recurring items recognised in the operating result amounted to EUR -26 million net, the most significant being:

- EUR 86 million impairment charges under IAS 36, of which EUR 66 million were allocated to Other Papers, EUR 16 million to Office Papers and EUR 4 million to Consumer Packaging. Of these, EUR 20 million was recognised in goodwill.
- EUR 74 million recognised as realised fair value and capital gains from the sale of Pohjolan Voima shares in the Market Pulp and Energy segment.
- EUR 23 million positive effect in the Other Papers related to the sale of the New Thames mill and being freed from the pension liabilities of industrial operations in the UK, and other liabilities related to the closure of the Sittingbourne mill, as well as the removal of other responsibilities related to the closure of the Sittingbourne mill.
- EUR 14 million cost provision for streamlining M-real's business structure to reflect the divestment of Graphics Papers business in Other operations.
- EUR 13 million cost for the Pont Sainte Maxence (PSM) mill divested in June 2006 for a guarantee issued to the mill's energy supplier and for the write-down of receivables from PSM in Other operations.
- EUR 10 million cost provision and write-down for the closure of New Thames mill's cut-size operations in Office Papers.

Non-recurring items in 2007 totalled EUR -124 million, the most significant being:

- EUR 182 million net impairment loss, consisting of an impairment loss of EUR 185 million from the goodwill of Office Papers, and a EUR 3 million reversal of an impairment loss from the fixed assets of the Kyro paper mill in Consumer Packaging.
- EUR 135 million capital gain on the sale of Metsä-Botnia's shares in Other operations.
- EUR 16 million cost provision for finalising the closure of the Wifsta mill in Office Papers.
- EUR 16 million impairment loss due to the valuation of assets held for sale at the expected selling price in compliance with IFRS 5 in Other operations.

Compared with the previous year, the operating result, excluding non-recurring items, was weakened by increased wood raw material and energy costs, the stronger euro against the US dollar and British pound, and the considerable decrease in the demand in late 2008. The result was improved by implemented cost saving actions and price increases as well as the start up of the Metsä-Botnia Uruguay pulp mill in November 2007.

The total delivery volume of paper businesses in 2008 was 1,761,000 tonnes (2007: 1,911,000). Production was curtailed by 201,000 tonnes (100,000) in line with demand. The deliveries by Consumer Packaging amounted to 1,345,000 tonnes (1,386,000) and production curtailments were 73,000 tonnes (66,000).

Financial income and expenses over the period totalled EUR -142 million (-139). Foreign exchange gains and losses from accounts receivables, accounts payable, financial income and expenses and the valuation of currency hedging were EUR 13 million (1). Net interest and other financial expenses amounted to EUR -155 million (-140). Other financial expenses include EUR 0 million of valuation gains on interest rate derivatives (valuation gains: 6).

In the review year, the result from continuing operations before taxes was EUR -204 million (-191). The result from continuing operations before taxes, excluding non-recurring items, totalled EUR -178 million (-67). Income taxes, including the change in deferred tax liabilities, were EUR 34 million (23).

Earnings per share were EUR -1.58 (-0.59). Earnings per share from continuing operations excluding non-recurring items were EUR -0.48 (-0.17). Return on equity was -10.4% (-8.5), and -9.0% (-2.8) excluding non-recurring items. Return on capital employed was -1.3% (-0.8); excluding non-recurring items -0.5% (2.8).

### **Result for October-December compared with the previous quarter**

M-real's sales totalled EUR 722 million (Q3/2008: 826). Comparable sales were down 12.6%. The operating result was EUR -161 million (-8), and the operating result excluding non-recurring items was EUR -51 million (3).

A net total of EUR -110 million was recognised as non-recurring items in the operating result for October-December. The total consisted of the following items:

- EUR 86 million impairment charges under IAS 36.
- EUR 14 million cost provision for the streamlining M-real's business structure to reflect the divestment of Graphics Papers business in Other operations.
- EUR 10 million cost provision and write-down for the closure of New Thames mill's cut-size operations in Office Papers.

The non-recurring items for the previous quarter totalled EUR -11 million net, consisting of the following items:

- EUR 13 million cost for the Pont Sainte Maxence (PSM) mill divested in June 2006 for a guarantee issued to the mill's energy supplier and for the write-down of receivables from PSM in Other operations.
- EUR 2 million gain from the sale of land property of the previously closed mills in Other operations.

The operating result compared with the previous quarter was weakened by the more than typical seasonal decrease in demand and production curtailments at Metsä-Botnia's mills. The result was improved by the implemented price increases.

The total delivery volume the paper businesses in October-December was 394,000 tonnes (438,000). Production was curtailed by 75,000 tonnes in line with demand (63,000). Consumer Packaging's deliveries amounted to 303,000 tonnes (348,000) and production curtailments were 48,000 tonnes (7,000).

Financial income and expenses in the review period totalled EUR -36 million (-37). Foreign exchange gains and losses from accounts receivables, accounts payable, financial income and expenses and the valuation of currency hedging were EUR 11 million (1). Net interest and other financial expenses amounted to EUR -47 million (-38). Other financial expenses include EUR -3 million of valuation loss on interest rate derivatives (valuation loss: -2).

In October-December, the result from continuing operations before taxes was EUR -87 million (-34). The result from continuing operations before taxes, excluding non-recurring items,

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totalled EUR -197 million (-45). Income taxes, including the change in deferred tax liabilities, came to EUR 34 million (1).

Earnings per share were EUR -0.69 (-0.79). Excluding non-recurring items, earnings per share from continuing operations were EUR -0.17 (-0.13). Return on equity was -43.3% (-10.1), excluding non-recurring items EUR -14.5 (-8.3). The return on capital employed was -19.7% (-0.5); excluding non-recurring items, -6.2% (1.0).

### Personnel

The number of personnel in continuing operations was 6,546 on 31 December 2008 (31 December 2007: 7,241), of which 2,258 (2,474) worked in Finland. M-real's number of personnel incorporates 30% of Metsä-Botnia's personnel.

### Investments

Gross investments in 2008 totalled EUR 128 million (2007: 259), including a EUR 29 million share of Metsä-Botnia's investments (122). Metsä-Botnia's investment share is based on M-real's 30% share of ownership.

### Structural change

M-real's profit improvement and complexity reduction programme, launched in November 2007, was implemented according to the targets. As part of the programme, the Lielähti BCTMP mill and coated magazine PM2 of the Kangas were closed in early 2008. The Publishing and Commercial Printing business areas were combined under the Graphic Papers business area. At the same time, projects were launched to simplify the coated magazine paper business concept and to streamline the sales and marketing organisation. The total annual profit improvement target excluding the divested Graphic Papers business was EUR 105 million. The full impact on result will be achieved by the end of 2010.

In February 2008, M-real published a target of a minimum of EUR 200 million from asset divestments, which should be achieved by the end of the first quarter of 2009. The target was clearly exceeded after the closing of the sale of Graphic Papers business, and the value of the divestments amounted to over EUR 900 million in 2008. In addition, the programme included the sale of the New Thames mill and the 100,000 Pohjolan Voima's B2 shares. The positive cash effect of the New Thames mill sale, including the pension liabilities of the industrial operations in the UK, was approximately EUR 82 million. A profit of approximately EUR 24 million was booked from the transaction. The positive cash effect from the sale of 100,000 Pohjolan Voima B2 shares was EUR 80 million and the non-recurring effect on result EUR 74 million.

As announced in June 2008, the sale of the Reflex mill to Arjowiggins was cancelled. The European Commission granted a conditional approval for the sale, but the conditions made the transaction impossible to carry out in practice.

In December 2008, M-real's sale of Graphic Papers business to the South African Sappi Limited was closed. The total value of the divestment was EUR 750 million. The transaction consideration consisted of EUR 480 million in cash and assumed debt, a EUR 220 million vendor loan note from Sappi to M-real and EUR 50 million of newly issued shares in Sappi. M-real's net debt decreased by about EUR 630 million at the closing of the transaction. The sale comprised the Kirkniemi and Kangas mills in Finland, the Stockstadt mill in Germany and the Biberist mill in Switzerland, with a total capacity of 1.9 million tonnes. As part of the

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transaction, M-real and Sappi entered also into a long-term agreement on the supply of pulp and BCTMP and other smaller services and supplies. Of the Graphic Papers Business Area's units, the paper mills in Hallein, Gohrsmühle, Reflex and Äänekoski, as well as the Husum mill's paper machine 8 remained in M-real's ownership. The Äänekoski paper mill and Husum mill's PM8 continue production for Sappi under a long-term contract.

In September 2008, M-real announced to be planning the discontinuation of the standard coated fine paper production at the Hallein and Gohrsmühle mills based on earlier examined strategic options. Both mills have been loss-making for a long period of time. In January 2009 at the Hallein mill, Austria, statutory negotiations concerning 480 people were began to plan the discontinuation of the paper production by the end of April. At Gohrsmühle mill, Germany, the standard coated fine paper production will be discontinued during April and its effects are being reviewed. At Gohrsmühle, it has already been decided that the production of speciality papers as well as uncoated fine paper reels and folio sheets will be expanded. The combined annual production capacity of standard coated fine paper at Hallein and Gohrsmühle mills is about 0.6 million tonnes. M-real continues to explore various options for the Hallein pulp mill.

The strategic review of the paper business continues.

## Financing

At year-end of 2008, M-real's equity ratio was 30.8% (31 December 2007: 34.4) and the gearing ratio 152% (2007: 124) and the net gearing being 90 (99). Some of M-real's financing agreements set a 120% limit on the company's net gearing ratio and a 30% limit on the equity ratio. Calculated as defined in the loan agreements, the net gearing ratio at the end of the year was approximately 74% (86) and the equity ratio some 36% (40).

Interest-bearing net liabilities totalled EUR 1,254 million at the end the year (1,867). Foreign-currency-denominated loans accounted for 12%, 95% were floating-rate and the rest were fixed-rate. At the end of 2008, the average interest rate on loans was 7.0% and the average maturity of long-term loans 2.9 years. The interest rate maturity of loans was 3.4 months at the end of the year. During the year, the interest rate maturity has varied between 3 and 6 months.

Cash flow from operations amounted to EUR 118 million (Q1–Q4/2007: 325). Working capital was down by EUR 7 million (down 42).

At year-end, an average of 4.6 months of the net foreign currency exposure was hedged. The level of hedging varied between 4 and 6 months during the period. Approximately 88% of non-euro-denominated equity was hedged at the end of the review period.

Liquidity is at a good level. The approximately EUR 400 million cash settlement in December from the divestment to Sappi boosted M-real's liquidity and financing position considerably. Liquidity at the end of the period was EUR 1,454 million, of which EUR 904 million consisted of committed long-term credit facilities and EUR 550 million of liquid assets and investments. The company had also interest-bearing receivables worth EUR 303 million. In addition, to meet its short-term financing needs, the company had at its disposal non-binding domestic and foreign commercial paper programmes and credit facilities amounting to some EUR 550 million.

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## Shares

In 2008, the highest price of M-real's B shares on the NASDAQ OMX Helsinki Ltd was EUR 3.28, the lowest EUR 0.67, and the average price EUR 1.59. At year-end, the price of the B share was EUR 0.69.

The trading volume of B shares was EUR 1,004 million, or 217% of the share capital. The market value of the A and B shares totalled EUR 232 million at the year-end.

At year-end, Metsäliitto Cooperative owned 38.6% of M-real Corporation's shares, and the voting rights conferred by these shares was 60.5%. International investors' holdings were 25%.

On 9 January, Norges Bank's (Central Bank of Norway) holding in M-real increased to 5.3% of the share capital and 1.7% of the voting rights.

On 2 May, Hermes Focus Asset Management Europe Ltd's holding in M-real decreased to 4.9% of the share capital and 2.3% of the voting rights.

On 29 September, Financier de l'Echiquier SA's holding in M-real increased to 5.1% of the share capital and 1.6% of the voting rights.

The Annual General Meeting on 13 March resolved to delete from the company's Articles of Association the stipulation on the minimum and maximum share capital, the record date provisions of book-entry system and the section concerning the par value of company's share.

The company does not possess its own shares.

## Consideration of the result for the financial year and dividend

The distributable funds of the parent company as of 31 December 2008 were EUR -303,901,093.04 of which the result for the financial year is EUR -535,312,028.39.

In its meeting on 5 February, the Board of Directors decided to propose to the Annual General Meeting, to be held on 12 March 2008 that no dividend is paid for the financial year 2008. For 2007, paid dividend per share was EUR 0.06, in total EUR 19.7 million.

The Annual General Meeting in March elected as members of M-real's Board of Directors Heikki Asunmaa, Counsellor of Forest Economy; Martti Asunta, M. Sc. (Forestry); Kari Jordan, President and CEO of Metsäliitto Group; Erkki Karmila, LL.M.; Kai Korhonen, M. Sc. (Technology); Runar Lillandt, Counsellor of Agriculture; Juha Niemelä, Honorary Counsellor; and Antti Tanskanen, Minister. The term of office of the members of the Board of Directors expires at the end of the next Annual General Meeting. At its organising meeting following the Annual General Meeting, the Board of Directors elected Kari Jordan as its Chairman and Martti Asunta as its Vice Chairman.

The Annual General Meeting elected as M-real's auditor Authorized Public Accountants PricewaterhouseCoopers Oy. The term of office of the auditor expires at the end of the next Annual General Meeting.

**Events after the review period**

The new management and reporting structure including the Consumer Packaging, Office Papers and Other Papers business areas as well as the Market Pulp and Energy reporting segment was announced.

Statutory negotiations concerning 1,500 people at mill operations in Finland began.

Statutory negotiations concerning 480 people began at the Hallein mill, Austria, to plan the discontinuation of paper production by the end of April. At Gohrsmühle, Germany, standard fine paper production will be discontinued during April while the production of uncoated fine paper reels and folio sheets will be expanded.

Standard & Poor's downgraded M-real's B- rating to CCC+. The outlook of the rating remains negative. Downgrade has an annual impact of approximately EUR 2 million on annual financing costs.

On 5 January 2008, M-real launched a new profit improvement programme with an annual target of EUR 80 million. The programme targets at savings in the business areas and streamlining the support functions to reflect the new company structure after the divestment of Graphic Papers. The full annual effect of the programme will be visible from 2011. The majority of the profit improvement measures are expected to be implemented in 2009, and the profit impact is estimated to be EUR 20-25 million in 2009. The related non-recurring costs booked during 2009 are expected to be about EUR 18 million. At the same time, M-real will also implement a separate EUR 60 million programme to boost the 2009 cash flow including e.g. reduction of operating net working capital and cuts in investments.

**Outlook**

The demand for M-real's main products in Europe is expected to improve during the first quarter compared with the exceptionally low demand in late last year. The demand appears, however, to remain at a lower level compared with the beginning of last year. The general uncertainty of the economy poses challenges to the short-term forecasting.

The price increases for folding boxboard in late 2008 are visible in the average prices during the early part of this year. Folding boxboard prices are targeted to be increased later this year when market situation so enables. Despite the weakening demand for coated papers, the prices are targeted to be increased. For uncoated fine papers the need for price increases is great, however, due to the market situation their implementation is deferred to a later date. In the short term the aim is to maintain the current price level of uncoated fine papers.

Cost inflation is expected to ease considerably during 2009. Currently, it seems that the impact of the new profit improvement programme together with the earlier implemented measures will clearly exceed the 2009 cost inflation.

With the above factors taken in account, M-real's operating result for first quarter of 2009, excluding non-recurring items, is expected to improve seasonally from the fourth quarter of 2008 but to remain clearly negative.

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### **Near-term business risks**

The financial market crisis has brought down consumer demand and investment activity. The uncertainty of the global economy has also negatively affected the operational preconditions of the European paper and paperboard industry; in addition, the risk of a prolonged slow-down of the global economy exists. Production may have to be curtailed more than planned as a result from the weakened demand.

The risk of the Euro strengthening further still exists although compared to the US dollar the trend seems to have reversed.

Because the forward-looking estimates and statements of this financial statements release are based on current plans and estimates, they contain risks and other uncertain factors which may lead the results to differ from the statements concerning them. In the short term, M-real's result will be influenced, in particular, by the price of, and demand for finished products, the availability and price of wood, other raw material costs, the price of energy, and the exchange rate of the US dollar. More information about longer-term risk factors can be found on pages 28–29 of M-real's 2007 Annual Report.

### **M-REAL CORPORATION**

#### **Further information:**

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Further information on 5 February, 2009 from 12:30 p.m. (EET). The conference call and webcast for investors and analysts begins at 3 p.m. (EET).

M-real's annual report, including financial statements, report of the Board of Directors and auditor's report, will be available at company's website [www.m-real.com](http://www.m-real.com) at the latest on 5 March, 2009.

**BUSINESS AREAS AND MARKET DEVELOPMENT**

<b>Consumer Packaging</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>
			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
Sales, EUR million	1,061	1,069	248	274	274	266	259
EBITDA, EUR million	108	150	11	37	23	37	26
excl. non-recurring items	109	156	11	37	23	38	27
Operating result, EUR million	24	61	-13	17	3	17	-1
excl. non-recurring items	29	77	-9	17	3	18	7
Return on capital employed, %	3.2	7.8	-6.0	8.3	1.4	8.7	0.1
excl. non-recurring items, %	3.8	9.7	-4.0	8.3	1.4	9.2	3.8
Deliveries, 1,000 tonnes	1,345	1,386	303	348	351	342	336
Production, 1,000 tonnes	1,336	1,398	293	347	335	361	339

**Year 2008 compared to 2007**

Consumer Packaging business area's operating result, excluding non-recurring items, amounted to EUR 29 million (2007: 77). The result was weakened by severe cost inflation, production curtailments at Metsä-Botnia's mills in Finland as well as the stronger euro against the US dollar and British pound. At the same time, the profitability was improved by implemented cost saving actions and achieved price increases.

A cost provision of EUR 1 million was booked for finalising the closure of Lielähti BCTMP mill, and a EUR 4 million in impairment charge under IAS 36.

The result for the previous year included non-recurring items of EUR -16 million.

The deliveries of European folding boxboard producers decreased by 4% compared with the previous year. Correspondingly, M-real's deliveries of folding boxboard were at the same level as in 2007. The average selling price compared to the previous year was higher despite the weakened US dollar and the British pound.

The delivery volume of linerboard decreased from the previous year. The selling price for wallpaper base paper increased clearly from previous year.

**Result for October–December compared with the previous quarter**

The Consumer packaging business area's operating result excluding non-recurring items decreased compared with the third quarter and was EUR -9 million (Q3/2008: 17). The result was weakened by production curtailments at Metsä-Botnia's mills in Finland and more than seasonally decreased demand for products.

EUR -4 million was booked as a non-recurring item for the fourth quarter result relating to the impairment charge under IAS 36.

The result for the previous quarter did not include any non-recurring items.

The deliveries of European folding boxboard producers decreased by 8% compared with the previous quarter. M-real's folding boxboard deliveries decreased by 13%. The achieved price increases and the strengthened US dollar improved the average selling price.

The delivery volume for linerboard was lower than in the previous quarter. The implemented price increases and the strengthened US dollar improved the euro-denominated selling price.

<b>Office Papers</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>
			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
Sales, EUR million	804	888	174	203	204	223	213
EBITDA, EUR million	35	66	-3	11	10	17	26
excl. non-recurring items	37	93	-1	11	10	17	23
Operating result, EUR million	-53	-196	-38	-6	-7	-2	-179
excl. non-recurring items	-29	17	-14	-6	-7	-2	4
Return on capital employed, %	-7.4	-21.0	-25.6	-3.2	-3.2	-0.6	-79.9
excl. non-recurring items, %	-3.8	2.2	-9.2	-3.2	-3.2	-0.6	2.3
Deliveries, 1,000 tonnes	1,081	1,194	237	270	274	300	284
Production, 1,000 tonnes	905	1,219	177	226	245	257	279

### **Year 2008 compared to 2007**

The 2008 operating result for the Office Papers business area, excluding non-recurring items, was EUR -29 million (2007: EUR 17). The result was weakened by the increased raw material costs, especially of wood raw material and the decrease in demand for products.

The non-recurring items recognised in the operating result were EUR -24 million net:

- EUR 16 million impairment charges under IAS 36.
- EUR 10 million cost provision and write-down for the closure of New Thames mill's cut-size operations.
- EUR 2 million reduction of cost provision related to the profit improvement programme announced in 2007.

The result for the previous year included non-recurring items for EUR -213 million net.

The total deliveries by European uncoated fine paper producers decreased by 4%. Deliveries by Office Papers decreased by 9%. The figure includes the effect of the closure of the Wifsta mill.

### **Result for October–December compared with the previous quarter**

The operating result for the Office Papers business area, excluding non-recurring items, decreased compared to third quarter and totalled EUR -14 million (Q3/2008: -6). The main factors were the decrease in the average selling price mainly resulting from the weakened British pound and the more than seasonally decreased demand for products.

The non-recurring items recognised in the operating result in the fourth quarter were EUR -24 million net:

- EUR 16 million impairment charges under IAS 36.
- EUR 10 million cost provision and write-down for the closure of New Thames mill's cut-size operations.
- EUR 2 million reduction of cost provision related to the profit improvement programme announced in 2007.

The result for the previous quarter did not include any non-recurring items.

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Total deliveries by European uncoated fine paper producers decreased by 2%. The Office Papers total deliveries decreased by 12%.

Other Papers	2008	2007	2008	2008	2008	2008	2007
			Q4	Q3	Q2	Q1	Q4
Sales, EUR million	622	657	147	153	158	164	161
EBITDA, EUR million	45	1	-1	7	8	31	-4
excl. non-recurring items	23	11	1	7	9	7	-1
Operating result, EUR million	-59	-36	-75	-3	-2	21	-12
excl. non-recurring items	-15	-30	-8	-3	-1	-3	-10
Return on capital employed, %	-14.3	-9.1	-63.5	-2.3	-1.2	18.1	-11.4
excl. non-recurring items, %	-3.4	-7.2	-5.8	-2.3	-0.8	-2.6	-9.1
Deliveries, 1,000 tonnes	680	718	157	168	174	181	177
Production, 1,000 tonnes	705	743	160	170	186	190	182

### Year 2008 compared to 2007

The 2008 operating result for Other Papers, excluding non-recurring items, was EUR -15 million (2007: -30). The result was improved by the implemented cost saving actions, the start up of Metsä-Botnia's Uruguay mill in November 2007 and price increases in coated fine paper. The result was decreased by the increased wood raw material and energy costs, the strengthened euro compared to the US dollar and the British pound as well as the curtailments at the pulp mills.

The non-recurring items recognised in the operating result in the fourth quarter were EUR -44 million net:

- EUR 66 million impairment loss under IAS 36 related to Hallein.
- EUR 23 million positive effect related to the sale of the New Thames mill and being freed from the pension liabilities of industrial operations in the UK, as well as the removal of other responsibilities related to the closure of the Sittingbourne mill.
- EUR 1 million of write-downs of other fixed assets.

The result for the previous year included non-recurring items of EUR -6 million net.

Total deliveries by European coated fine paper producers decreased by 3% compared with the previous year. Other Papers total deliveries decreased by 5%.

### Result for October–December compared with the previous quarter

Other Papers business area's operating result weakened compared to the third quarter and was EUR -8 million (Q3/2008: -3). The result was weakened by the more than seasonally decreased demand as well as the production curtailments at Metsä-Botnia's mills. The result was improved by the increased selling prices and the strengthened US dollar compared to euro.

The non-recurring items recognised in the operating result in the fourth quarter were:

- EUR 66 million impairment loss under IAS 36 related to Hallein.
- EUR 1 million of write-downs of other fixed assets.

There were no non-recurring items in the previous quarter.

Total deliveries by European coated fine paper producers decreased from the previous quarter by 9%. Other Papers total deliveries decreased by 7% compared with the previous quarter.

<b>Market Pulp and Energy</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>
			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
Sales, EUR million	644	596	150	172	160	162	147
EBITDA, EUR million	148	54	8	23	96	21	11
excl. non-recurring items	73	55	8	23	22	21	12
Operating result, EUR million	106	25	-2	12	86	10	7
excl. non-recurring items	32	26	-2	12	12	10	8
Return on capital employed, %	12.6	3.1	-1.3	5.1	37.3	4.7	3.5
excl. non-recurring items, %	3.6	3.2	-1.3	5.1	4.8	4.7	4.1
Deliveries, 1,000 tonnes	1,115	997	264	291	279	281	247

The 2008 operating result of the Market Pulp and Energy reporting segment, excluding non-recurring items, was EUR 31 million (2007: 26). Profitability was improved by the start-up of Metsä-Botnia's Uruguay mill in November 2007 and weakened by increased wood raw material costs and production curtailments at Metsä-Botnia's mills.

EUR 74 million, recognised as realised fair value and capital gains from the sale of Pohjolan Voima shares, was transferred from Other operations to the Market Pulp and Energy segment.

The result for the previous year included non-recurring items of EUR -1 million.

#### **Result for October–December compared with the previous quarter**

The result for the Market Pulp and Energy segment compared to the third quarter was weakened and was EUR -2 million (Q3/08: 12). The result was weakened mainly by the more than normal seasonal decrease in demand for pulp and the lower selling price of pulp. The result was improved by lower wood raw material costs. The result did not include any non-recurring items.

There were no non-recurring items in the previous quarter.

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The financial statements are unaudited.

<b>Condensed consolidated income statement Continuing operations, EUR million</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	<b>2008 Q4</b>	<b>2008 Q3</b>
<b>Sales</b>	<b>3,236</b>	<b>3,499</b>	<b>-263</b>	<b>722</b>	<b>826</b>
Other operating income	182	195	-13	9	24
Operating expenses	-3,164	-3,296	132	-749	-801
Depreciation and impairment losses	-315	-447	132	-143	-57
<b>Operating result</b>	<b>-61</b>	<b>-49</b>	<b>-12</b>	<b>-161</b>	<b>-8</b>
% of sales	-1.9	-1.4		-22.3	-1.0
Share of results in associated companies	-1	-3	2	0	0
Exchange gains and losses	13	1	12	11	1
Other net financial items	-155	-140	-15	-47	-38
<b>Result before taxes from continuing operations</b>	<b>-204</b>	<b>-191</b>	<b>-13</b>	<b>-197</b>	<b>-45</b>
% of sales	-6.3	-5.5		-27.3	-5.4
Income taxes	34	23	11	34	0.1
<b>Result for the period from continuing operations</b>	<b>-170</b>	<b>-168</b>	<b>-2</b>	<b>-163</b>	<b>-44</b>
% of sales	-5.3	-4.8	-4.6	-22.6	-5.4
<b>Result from discontinued operations</b>	<b>-338</b>	<b>-27</b>	<b>-311</b>	<b>-62</b>	<b>-212</b>
<b>Result for the period</b>	<b>-508</b>	<b>-195</b>	<b>-313</b>	<b>-225</b>	<b>-256</b>
% of sales	-15.7	-5.6		-31.2	-31.0
<b>Attributable to</b>					
Shareholders of parent company	-517	-194	-323	-225	-261
Minority interest	9	-1	10	0	5
Earnings per share for result attributable to shareholders of parent company (EUR/share)					
from continuing operations	-0.55	-0.51	-0.04	-0.50	-0.15
from discontinued operations	-1.03	-0.08	-0.95	-0.19	-0.64
<b>Total</b>	<b>-1.58</b>	<b>-0.59</b>	<b>-0.99</b>	<b>-0.69</b>	<b>-0.79</b>

Taxes include taxes corresponding to the result for the period under review.

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<b>Condensed consolidated balance sheet</b>	<b>31.12. 2008</b>	<b>%</b>	<b>31.12. 2007</b>	<b>%</b>
<b>EUR million</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	51	1.1	172	3.1
Other intangible assets	51	1.1	38	0.7
Tangible assets	1,808	40.1	2,820	51.4
Biological assets	57	1.3	47	0.9
Investments in associated companies	63	1.5	64	1.2
Available for sale investments	440	9.8	343	6.2
Non-current financial assets	232	5.1	9	0.2
Deferred tax receivables	5	0.1	4	0.1
	<b>2,707</b>	<b>60.1</b>	<b>3,512</b>	<b>64.1</b>
<b>Current assets</b>				
Inventories	505	11.2	619	11.3
Accounts receivables and other receivables	743	16.5	970	17.7
Cash and cash equivalents	550	12.2	380	6.9
	<b>1,798</b>	<b>39.9</b>	<b>1,969</b>	<b>35.9</b>
<b>Total assets</b>	<b>4,505</b>	<b>100</b>	<b>5,481</b>	<b>100</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Equity attributable to shareholders of parent company	<b>1,329</b>	<b>29.5</b>	<b>1,830</b>	<b>33.4</b>
Minority interest	57	1.3	52	0.9
	<b>1,386</b>	<b>30.8</b>	<b>1,882</b>	<b>34.3</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	232	5.1	290	5.3
Post-employment benefit obligations	98	2.2	159	2.9
Provisions	99	2.2	72	1.3
Borrowings	1,568	34.8	1,883	34.4
Other liabilities	18	0.4	38	0.7
	<b>2,015</b>	<b>44.7</b>	<b>2,442</b>	<b>44.6</b>
<b>Current liabilities</b>				
Current borrowings	538	12.6	453	8.3
Accounts payable and other liabilities	566	11.9	704	12.8
	<b>1,104</b>	<b>24.5</b>	<b>1,157</b>	<b>21.1</b>
<b>Total liabilities</b>	<b>3 119</b>	<b>69.2</b>	<b>3,599</b>	<b>65.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>4,505</b>	<b>100</b>	<b>5,481</b>	<b>100</b>

**Condensed consolidated cash flow statement**

<b>EUR million</b>	<b>2008</b>	<b>2007</b>	<b>2008 Q4</b>	<b>2008 Q3</b>
Result for the period	-508	-196	-225	-256
Total adjustments	619	479	215	278
Change in working capital	7	42	26	41
<b>Cash flow arising from operations</b>	<b>118</b>	<b>325</b>	<b>16</b>	<b>63</b>
Net financial items	-193	-160	-129	-10
Income taxes paid	-22	-38	-2	3
<b>Net cash flow arising from operating activities</b>	<b>-97</b>	<b>127</b>	<b>-115</b>	<b>56</b>
Investments in tangible and intangible assets	-128	-259	-39	-38
Divestments of assets and other	507	628	366	3
<b>Net cash flow arising from investing activities</b>	<b>379</b>	<b>369</b>	<b>327</b>	<b>-35</b>
Share issue, minority interest	2	6	0	0
Changes in long-term loans and other financial items	-95	-282	202	40
Dividends paid	-20	-20	0	0
<b>Net cash flow arising from financing activities</b>	<b>-113</b>	<b>-296</b>	<b>202</b>	<b>40</b>
<b>Changes in cash and cash equivalents</b>	<b>169</b>	<b>200</b>	<b>414</b>	<b>61</b>
Cash and cash equivalents at beginning of period	380	182	133	73
Translation difference in cash and cash equivalents	1	-2	0	2
Changes in cash and cash equivalents	169	200	414	61
Assets held for sale	0	0	3	-3
<b>Cash and cash equivalents at end of period</b>	<b>550</b>	<b>380</b>	<b>550</b>	<b>133</b>

**Statement of changes in shareholders' equity**

EUR million	Share capital	Share premium	Translation difference	Fair value and other reserves	Retained earnings	Minority interest	Total
<b>Shareholders' equity according to IFRS, 1 Jan. 2007 (as revised)</b>	<b>558</b>	<b>667</b>	<b>3</b>	<b>222</b>	<b>605</b>	<b>63</b>	<b>2,118</b>
Translation differences			-34			-3	-37
Net investment hedge			28				28
Available for sale investments				8			8
recorded in equity				-22			-22
transferred to income statement's other operating income							
Currency flow hedges, recorded in equity transferred to income statement's sales							
Interest flow hedges recorded in equity							
Commodity hedges recorded in equity				9			9
Transferred to income statement's purchases				9			9
Tax on equity components			-8	-1			-9
Net expenses recognised directly in equity			-14	3		-3	-14
Result for the period					-194	-1	-195
Total recognised income and expenses for the period			-14	3	-194	-4	-209
Related party transactions							
Changes in minority interest							
Sale of Metsä-Botnia shares (9%)						-11	
Metsä-Botnia restructuring in Uruguay						5	
Total						-6	-6
Dividends paid					-20	-1	-21
Related party transactions					-20	-7	-27
<b>Shareholders' equity 31 Dec. 2007, IFRS</b>	<b>558</b>	<b>667</b>	<b>-11</b>	<b>225</b>	<b>391</b>	<b>52</b>	<b>1,882</b>

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<b>Shareholders' equity according to IFRS 1 Jan. 2008 (as revised)</b>	<b>558</b>	<b>667</b>	<b>-11</b>	<b>225</b>	<b>391</b>	<b>52</b>	<b>1,882</b>
Translation differences			-17			2	-15
Net investment hedge Available for sale investments			26				26
recorded in equity transferred to income statement's other operating income				115			115
				-28			-28
Currency flow hedges recorded in equity transferred to income statement's sales				-21			-21
				3			3
Interest flow hedges recorded in equity transferred income statement's financial items				-4			-4
				-1			-1
Commodity hedges recorded in equity transferred income statement's purchases				-17			-17
				-1			-1
Tax on equity components			-7	-12			-19
Net expenses recognised directly in equity			2	34		2	38
Result for the period					-517	9	-508
Total recognised income and expenses for the period			2	34	-517	11	-470
Related party transactions Changes in minority interest Metsä-Botnia restructuring in Uruguay						-6	-6
						-6	-6
Dividends paid					-20	0	-20
Related party transactions					-20	-6	-26
<b>Shareholders' equity 31 Dec. 2008, IFRS</b>	<b>558</b>	<b>667</b>	<b>-9</b>	<b>259</b>	<b>-146</b>	<b>57</b>	<b>1,386</b>

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<b>Key ratios</b>	<b>2008</b>	<b>2007</b>	<b>2008 Q4</b>	<b>2008 Q3</b>
Sales, EUR million	3,236	3,499	722	826
EBITDA, EUR million	254	398	-18	49
excl. non-recurring items, EUR million	192	313	4	60
Operating result, EUR million	-61	-49	-161	-8
excl. non-recurring items, EUR million	-35	75	-51	3
Result from continuing operations before taxes, EUR million	-204	-191	-197	-45
excl. non-recurring items, EUR million	-178	-67	-87	-34
Result for the period from continuing operations, EUR million	-170	-168	-163	-44
from discontinued operations, EUR million	-338	-27	-62	-212
Total, EUR million	-508	-195	-225	-256
Earnings per share from continuing operations, EUR	-0.55	-0.51	-0.50	-0.15
from discontinued operations, EUR	-1.03	-0.08	-0.19	-0.64
Total, EUR	-1.58	-0.59	-0.69	-0.79
Earnings per share, excl. non-recurring items from continuing operations, EUR	-0.48	-0.17	-0.17	-0.13
Return on equity, %	-10.4	-8.5	-43.3	-10.1
excl. non-recurring items, %	-9.0	-2.8	-14.5	-8.3
Return on capital employed, %	-1.3	-0.8	-19.7	-0.5
excl. non-recurring items, %	-0.5	2.8	-6.2	1.0
Equity ratio at end of period, %	30.8	34.4	30.8	32.5
Gearing at end of period, %	152	124	152	129
Net gearing at end of period, %	90	99	90	114
Shareholders' equity per share at end of period, EUR	4.05	5.58	4.05	4.77
Net interest-bearing liabilities at end of period, EUR million	1,254	1,867	1,254	1,865
Gross capital expenditure, EUR million	128	259	39	38
Deliveries, 1,000 tonnes				
Paper business	1,761	1,911	394	438
Consumer Packaging	1,345	1,386	303	348
Personnel at end of period	6,546	9,508	6,546	8,838
In continuing operations	6,546	7,241	6,546	6,679
In discontinued operations		2,267		2,159

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<b>Securities and guarantees</b>	<b>2008</b>	<b>2007</b>
<b>EUR million</b>		
For own liabilities	61	61
On behalf of associated companies	1	1
On behalf of Group companies	5	4
On behalf of others	2	3
<b>Total</b>	<b>69</b>	<b>69</b>

<b>Open derivative contracts</b>	<b>2008</b>	<b>2007</b>
<b>EUR million</b>		
Interest rate derivatives	1,286	1,954
Foreign exchange derivatives	2,805	3,809
Other derivatives	185	133
<b>Total</b>	<b>4,276</b>	<b>5,896</b>

The fair value of open derivative contracts calculated at market value was EUR 15.0 million at the end of the review period (EUR 14.7 million 31 December 2007).

The gross amount of open contracts also includes closed contracts, totalling EUR 2,068.8 million (31 December 2007: EUR 2,713.9 million).

<b>Commitments related to fixed assets</b>	<b>2008</b>	<b>2007</b>
<b>EUR million</b>		
Payments in less than a year	0	22
Payments later	1	4

<b>Changes in property, plant and equipment</b>	<b>2008</b>	<b>2007</b>
<b>EUR million</b>		
Carrying value at beginning of year	2,820	3,156
Capital expenditure	128	250
Decrease	-670	-186
Depreciation and impairment losses	-282	-228
Depreciation and impairment losses related to discontinued operations	-149	-118
Translation difference	-39	-54
<b>Carrying value at year-end</b>	<b>1,808</b>	<b>2,820</b>

Depreciation and impairment losses related to discontinued operations include Graphic Papers business and in 2007 also Map Merchant business.

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**Related-party transactions**  
**Transactions with parent company**  
**and sister companies EUR million**

	<b>2008</b>	<b>2007</b>
Sales	34	34
Other operating income	3	138
Purchases	571	549
Interest income	7	3
Interest expenses	4	8
Non-current receivables	5	19
Current receivables	49	41
Non-current liabilities	0	1
Current liabilities	228	149

<b>Transactions with associated companies</b>	<b>2008</b>	<b>2007</b>
Sales	0	0
Purchases	4	4
Non-current receivables	0	0
Current receivables	7	7
Current liabilities	2	3

**Accounting policies**

The financial statements were prepared in accordance with the IAS 34 standard Interim Financial Reporting and the accounting policies presented in M-real's Annual Report 2007.

The figures in the financial statement release are unaudited.

Taxes include taxes corresponding to the result for the period under review.

**Calculation of key ratios**

Return on equity (%)	=	(Result from continuing operations before tax - direct taxes) per (Total equity (average))
Return on capital employed (%)	=	(Result from continuing operations before tax + interest expenses, net exchange gains/losses and other financial expenses) per (Total assets of continuing operations - non-interest-bearing liabilities of continuing operations (average))
Equity ratio (%)	=	(Total equity) per (Total assets - advance payments received)
Gearing ratio (%)	=	(Interest-bearing liabilities) per (Total equity)
Net gearing ratio (%)	=	(Interest-bearing liabilities - liquid funds - interest-bearing receivables) per (Total equity)
Earnings per share	=	(Profit attributable to shareholders of parent company) per (Adjusted number of shares (average))
Shareholders' equity per share	=	(Equity attributable to shareholders of parent company) per (Adjusted number of shares at end of review period)

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### Quarterly information

<b>Sales and result by segment, EUR million</b>	<b>2008</b>	<b>2007</b>	<b>2008 Q4</b>	<b>2008 Q3</b>	<b>2008 Q2</b>	<b>2008 Q1</b>	<b>2007 Q4</b>	<b>2007 Q3</b>
Consumer Packaging	1,061	1,069	248	274	274	266	259	267
Office Papers	804	888	174	203	204	223	213	213
Other Papers	622	657	147	153	158	164	161	162
Market Pulp and Energy	644	596	150	172	160	162	147	157
Internal sales and other operations	105	289	3	24	33	44	48	71
<b>Sales</b>	<b>3,236</b>	<b>3,499</b>	<b>722</b>	<b>826</b>	<b>829</b>	<b>859</b>	<b>828</b>	<b>870</b>
Consumer Packaging	108	150	11	37	23	37	26	51
Office Papers	35	66	-3	11	10	17	26	26
Other Papers	45	1	-1	7	8	31	-4	8
Market Pulp and Energy	148	54	8	23	96	21	11	17
Other operations	-82	127	-33	-29	-10	-10	5	-3
<b>EBITDA</b>	<b>254</b>	<b>398</b>	<b>-18</b>	<b>49</b>	<b>127</b>	<b>96</b>	<b>64</b>	<b>99</b>
% of sales	7.8	11.4	-2.5	5.9	15.3	11.2	7.7	11.4
Consumer Packaging	24	61	-13	17	3	17	-1	31
Office Papers	-53	-196	-38	-6	-7	-2	-179	9
Other Papers	-59	-36	-75	-3	-2	21	-12	1
Market Pulp and Energy	106	25	-2	12	86	10	7	9
Other operations	-79	97	-33	-28	-9	-9	-3	-6
<b>Operating result</b>	<b>-61</b>	<b>-49</b>	<b>-161</b>	<b>-8</b>	<b>71</b>	<b>37</b>	<b>-188</b>	<b>44</b>
% of sales	-1.9	-1.4	-22.3	-1.0	8.6	4.3	-22.7	5.1
<b>Non-recurring items EUR million</b>								
Consumer Packaging	-5	-16	-4	0	0	0	-8	0
Office Papers	-24	-213	-24	0	0	0	-183	0
Other Papers	-44	-6	-67	0	-1	24	-2	8
Market Pulp and Energy	74	-1	0	0	74	0	-1	0
Other operations	-27	113	-14	-11	-1	-1	-3	-1
<b>Non-recurring items in operating result</b>	<b>-26</b>	<b>-124</b>	<b>-110</b>	<b>-11</b>	<b>72</b>	<b>23</b>	<b>-197</b>	<b>7</b>
Consumer Packaging	109	156	11	37	23	38	27	51
Office Papers	37	93	-1	11	10	17	23	26
Other Papers	23	11	1	7	9	7	-1	3
Market Pulp and Energy	73	55	8	23	22	21	12	17
Other operations	-50	-2	-15	-18	-8	-10	6	-3
<b>EBITDA, excl. non- recurring items</b>	<b>192</b>	<b>313</b>	<b>4</b>	<b>60</b>	<b>55</b>	<b>73</b>	<b>66</b>	<b>94</b>
% of sales	5.9	8.9	0.6	7.3	6.6	8.5	8.0	10.8

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Consumer Packaging	29	77	-9	17	3	18	7	31
Office Papers	-29	17	-14	-6	-7	-2	4	9
Other Papers	-15	-30	-8	-3	-1	-3	-10	-7
Market Pulp and Energy	32	26	-2	12	12	10	8	9
Other operations	-52	-16	-18	-17	-8	-9	0	-5
<b>Operating result, excl. non-recurring items</b>	<b>-35</b>	<b>75</b>	<b>-51</b>	<b>3</b>	<b>-1</b>	<b>14</b>	<b>9</b>	<b>37</b>
% of sales	-1.1	2.1	-7.1	0.4	-0.1	1.6	1.1	4.3
<b>Return on capital employed %</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
Consumer Packaging	3.2	7.8	-6.0	8.3	1.4	8.7	0.1	15.1
Office Papers	-7.4	-21.0	-25.6	-3.2	-3.2	-0.6	-79.9	3.8
Other Papers	-14.3	-9.1	-63.5	-2.3	-1.2	18.1	-11.4	1.7
Market Pulp and Energy	12.6	3.1	-1.3	5.1	37.3	4.7	3.5	5.2
<b>Group</b>	<b>-1.3</b>	<b>-0.8</b>	<b>-19.7</b>	<b>-0.5</b>	<b>8.9</b>	<b>5.7</b>	<b>-22.4</b>	<b>5.9</b>
<b>Capital employed EUR million</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
Consumer Packaging	801	823	801	839	829	813	823	843
Office Papers	556	808	556	645	664	726	808	977
Other Papers	415	398	415	518	532	522	398	398
Market Pulp and Energy	899	752	899	929	921	912	752	642
Unallocated and eliminations	822	522	822	-12	165	263	522	346
<b>Group</b>	<b>3,493</b>	<b>3,303</b>	<b>3,493</b>	<b>2,919</b>	<b>3,111</b>	<b>3,236</b>	<b>3,303</b>	<b>3,206</b>

The capital employed for a segment included its assets: goodwill, other intangible goods, tangible assets, biological assets, investments in associates, inventories, accounts receivables, prepayments and accrued income (excluding interest and taxes), less the segment's liabilities (accounts payable, advance payments, accruals and deferred income (excluding interest and taxes)).

<b>Personnel</b>	<b>2008</b>	<b>2007</b>
<b>Average</b>		
Consumer Packaging	1,664	1,902
Office Papers	1,561	1,931
Other Papers	2,016	2,160
Market Pulp and Energy	569	550
Other continuing operations	1,039	1,724
Discontinued operations	2,238	4,408
<b>Total</b>	<b>9,087</b>	<b>12,675</b>

<b>Deliveries</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>1,000 tonnes</b>			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
<b>Consumer Packaging</b>	<b>1,345</b>	<b>1,386</b>	<b>303</b>	<b>348</b>	<b>351</b>	<b>342</b>	<b>336</b>	<b>346</b>
Office Papers	1,081	1,194	237	270	274	300	284	283
Other Papers	680	718	157	168	174	181	177	176
<b>Paper business, total</b>	<b>1,761</b>	<b>1,911</b>	<b>394</b>	<b>438</b>	<b>448</b>	<b>481</b>	<b>461</b>	<b>458</b>
<b>Market Pulp</b>	<b>1,115</b>	<b>997</b>	<b>264</b>	<b>291</b>	<b>279</b>	<b>281</b>	<b>247</b>	<b>261</b>

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<b>Production</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>1,000 tonnes</b>			<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
<b>Consumer Packaging</b>	<b>1,336</b>	<b>1,398</b>	<b>293</b>	<b>347</b>	<b>335</b>	<b>361</b>	<b>339</b>	<b>352</b>
Office Papers	905	1219	177	226	245	257	279	293
Other Papers	705	743	160	170	186	190	182	177
<b>Paper business, total</b>	<b>1,610</b>	<b>1 962</b>	<b>337</b>	<b>396</b>	<b>431</b>	<b>447</b>	<b>461</b>	<b>470</b>
<b>Metsä-Botnia pulp 1)</b>	<b>990</b>	<b>785</b>	<b>235</b>	<b>270</b>	<b>233</b>	<b>252</b>	<b>225</b>	<b>191</b>
<b>M-real pulp</b>	<b>1,486</b>	<b>1 536</b>	<b>303</b>	<b>377</b>	<b>391</b>	<b>415</b>	<b>369</b>	<b>417</b>

1) corresponds to M-real's share of 30% in Metsä-Botnia