

M-real's operating result excluding non-recurring items for the first half of 2011 EUR 75 million

Result for the first half of 2011

- Sales EUR 1,345 million (Q1–Q2/2010: 1,278)
- Operating result excluding non-recurring items EUR 75 million (82) Operating result including non-recurring items EUR 14 million (84)
- Result before taxes excluding non-recurring items EUR 44 million (39) Result before taxes including non-recurring items EUR -22 million (25)
- Earnings per share from continuing operations excluding non-recurring items EUR 0.11 (0.08), and including non-recurring items EUR -0.09 (0.03)

Result for the second quarter of 2011

- Sales EUR 660 million (Q1/2011: 685)
- Operating result excluding non-recurring items EUR 32 million (43). Operating result including non-recurring items EUR -32 million (46)
- Result before taxes excluding non-recurring items EUR 16 million (28) Result before taxes including non-recurring items EUR -53 million (31)
- Earnings per share from continuing operations excluding non-recurring items EUR 0.04 (0.07), and including non-recurring items EUR -0.17 (0.08)

Events during the second quarter of 2011

- M-real announced plans to eliminate losses in the paper business, including divestments of or capacity closures at Alizay, Gohrsmühle and Reflex mills
- Increase of Simpele mill's folding boxboard capacity by 80,000 tonnes
- Divestment of the Hallein sulphite pulp mill to Schweighofer Group

"The investment shutdown at Simpele, unfavorable exchange rate development and cost inflation weakened profitability as expected during the second quarter. Ongoing measures to reduce costs, increase prices and eliminate the losses of the paper businesses at Alizay and Speciality Papers business area will, when realised, improve M-real's profitability considerably in the future. Short-term profitability is negatively impacted by the softening of the demand, especially in paper products, caused by the uncertainty of the European general economy, and the planned measures at Alizay and Speciality Papers. Profitability of board production is expected to continue good."

CEO Mikko Helander

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 2010, M-real's sales totalled approximately EUR 2.6 billion. M-real has approximately 4,500 employees.

Unaudited

KEY FIGURES	2011	2011	2010	2010	2011	2010	2010
	Q2	Q1	Q2	Q1	Q1-Q2	Q1-Q2	Q1-Q4
Sales, EUR million	660	685	676	602	1 345	1 278	2 605
EBITDA, EUR million	48	77	61	82	125	143	312
excl. non-recurring items, EUR million	62	74	77	72	136	149	305
EBITDA, %	7.3	11.2	9.0	13.6	9.3	11.2	12.0
excl. non-recurring items, %	9.4	10.8	11.4	12.0	10.1	11.7	11.7
Operating result, EUR million	-32	46	35	49	14	84	146
excl. non-recurring items, EUR million	32	43	43	39	75	82	173
EBIT, %	-4.8	6.7	5.2	8.1	1.0	6.6	5.6
excl. non-recurring items, %	4.8	6.3	6.4	6.5	5.6	6.4	6.6
Result before taxes							
from continuing operations, EUR million	-53	31	0	25	-22	25	48
excl. non-recurring items, EUR million	16	28	24	15	44	39	92
Result for the period							
from continuing operations, EUR million	-59	28	-8	19	-31	11	27
from discontinued operations, EUR million	0	0	0	0	0	0	0
Total, EUR million	-59	28	-8	19	-31	11	27
Result per share							
from continuing operations, EUR	-0.17	0.08	-0.03	0.06	-0.09	0.03	0.09
from discontinued operations, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, EUR	-0.17	0.08	-0.03	0.06	-0.09	0.03	0.09
Result per share							
excl. non-recurring items, EUR	0.04	0.07	0.05	0.03	0.11	0.08	0.23
Return on equity, %	-23.5	10.8	-3.1	7.9	-6.3	2.4	2.8
excl. non-recurring items, %	4.2	9.5	6.8	3.6	7.0	5.3	7.6
Return on capital employed, %	-6.1	8.4	3.8	9.1	1.4	6.1	5.7
excl. non-recurring items, %	6.4	7.8	8.1	7.3	7.2	7.3	7.6
Equity ratio at end of period, %	33.9	33.6	31.1	32.7	33.9	31.1	32.1
Gearing ratio at end of period, %	120	125	140	121	120	140	135
Net gearing ratio at end of period, %	84	78	89	86	84	89	83
Interest-bearing net liabilities, EUR million	809	799	845	821	809	845	827
Gross investments, EUR million	31	12	10	7	43	17	66
Deliveries, 1 000 tonnes							
Paper businesses	277	301	278	311	578	589	1 155
Consumer Packaging	315	334	372	321	649	693	1 390
Personnel at the end of period							
in continuing operations	4,699	4,515	4,946	4,796	4,699	4,946	4,538

EBITDA = Earnings before interest, taxes, depreciation and impairment charges

Result for April–June compared to the previous quarter

M-real's sales totalled EUR 660 million (Q1/2011: 685). Comparable sales were down 3.6 per cent. The operating result was EUR -32 million (46), and operating result excluding non-recurring items was EUR 32 million (43).

A net total of EUR -64 million was recognised as non-recurring items in the operating result, the most significant of them being:

- Loss of EUR 49 million in Market Pulp and Energy related to the divestment of the Hallein pulp mill announced in June
- EUR 19 million impairment and cost provisions in Speciality Papers related to the reorganisation plans at Gohrsmühle announced in May
- EUR 7 million gain in other operations related to a property sale at Niemenranta, Tampere
- EUR 3 million personnel cost provision in Speciality Papers related to the personnel cuts at the Reflex mill

In the previous quarter, a non-recurring gain of EUR 3 million was recognised in Other operations from the property sale in Jyväskylä.

Operating result excluding non-recurring items was weaker compared to the previous quarter due to the investment shutdown at Simpele in May, cost inflation and lower average selling prices due to the weakening of the US dollar and British pound. The delivery volume of board decreased from the first quarter due to the investment shutdown at the Simpele mill. The delivery volume of paper fell short of the first quarter due to the weakened market situation.

The total paper business delivery volume was 277,000 tonnes for April–June (301,000). Deliveries by the Consumer Packaging business area totalled 315,000 tonnes (334,000).

Financial income and expenses totalled EUR -17 million (-15). Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging were EUR 0 million (2). Net interest and other financial income and expenses amounted to EUR -17 million (-17). Other financial expenses include EUR 1 million of valuation losses on interest rate hedges (valuation gain of 0).

The result from continuing operations before taxes in April–June was EUR -53 million (31). The result includes an impairment loss of EUR 4 million, related to the sale of M-real's shares in Myllykoski Paper Oy to UPM-Kymmene, reported as a non-recurring item in "Share of results in associated companies" after the operating result. The result from continuing operations before taxes, excluding non-recurring items, was EUR 16 million (28). Income taxes, including the change in deferred tax liabilities, were EUR -6 million (-3).

Earnings per share were EUR -0.17 (0.08). Earnings per share from continuing operations excluding non-recurring items were EUR 0.04 (0.07). Return on equity was -23.5 per cent (10.8), and 4.2 per cent (9.5) excluding non-recurring items. The return on capital employed was -6.1 per cent (8.4); 6.4 per cent (7.8) excluding non-recurring items.

Result for January–June compared with the corresponding period last year

M-real's sales totalled EUR 1,345 million (1,278). Comparable sales were up 5.2 per cent. Operating result was EUR 14 million (84), and operating result excluding non-recurring items was EUR 75 million (82).

A net total of EUR -61 million was recognised as non-recurring items in the operating result for January–June, the most significant items being:

- Loss of EUR 49 million in Market Pulp and Energy related to the divestment of the Hallein pulp mill announced in June
- EUR 19 million impairment and cost provisions in Speciality Papers related to the reorganisation plans at Gohrsmühle announced in May
- EUR 10 million income item in other operations related to sales of properties in Finland
- EUR 3 million personnel cost provision in Speciality Papers related to the personnel cuts at the Reflex mill

The non-recurring items of the corresponding period in the previous year were EUR +2 million net.

Operating profit excluding non-recurring items compared with the corresponding period last year was weakened by cost inflation; in particular, costs regarding wood, chemicals and energy were higher than a year before. In addition, the strengthening of the Swedish krona and weakening of the US dollar against the euro had a negative impact. The operating result was improved, the average selling prices being clearly higher than the previous year.

The total paper business delivery volume in January–June was 578,000 tonnes (589,000). Board and paper deliveries by Consumer Packaging totalled 649,000 tonnes (693,000). Excluding the negative impact of Simpeleinvestment shutdown board deliveries increased. The figure for the comparison period includes 23,000 tonnes of deliveries from the Simpele paper mill closed down at the end of 2010.

Financial income and expenses in the period totalled EUR -32 million (-39). Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging were EUR 2 million (-6). Net interest and other financial income and expenses amounted to EUR -34 million (-33). Other financial expenses include EUR 1 million of valuation losses on interest rate hedges (valuation gain of 0).

In the review period, the result from continuing operations before taxes was EUR -22 million (25). The result includes an impairment loss of EUR 4 million, related to the sale of M-real's shares in Myllykoski Paper Oy to UPM-Kymmene, reported as a non-recurring item in "Share of results in associated companies" after the operating result. "Share of results in associated companies" included an impairment loss of EUR 16 million from Myllykoski Paper Oy the previous year. The result from continuing operations before taxes and excluding non-recurring items was EUR 44 million (39). Income taxes, including the change in deferred tax liabilities, were EUR -9 million (-14).

Earnings per share were EUR -0.09 (0.03). Earnings per share from continuing operations excluding non-recurring items were EUR 0.11 (0.08). Return on equity was -6.3 per cent

(2.4), and 7.0 per cent (5.3) excluding non-recurring items. Return on capital employed was 1.4 per cent (6.1); 7.2 per cent (7.3) excluding non-recurring items.

Personnel

The number of personnel was 4,699 at the end of June (30 June 2010: 4 946, 31.12.2010: 4,538), of whom 1,959 (2,019, 1,783) people worked in Finland. During the period, M-real employed an average of 4,653 people (2010: 4,772).

Investments

Gross investments in January–June totalled EUR 43 million (January-June 2010: 17).

Structural change

M-real's structural change from a paper company to a clearer packaging producer has progressed according to the strategy. The focus of the operations has increasingly shifted from restructuring to development, as demonstrated by the investments in Simpele, Äänekoski, Kyro and Kemiart Liners mills scheduled for 2011–2012.

M-real divested the entire share capital in M-real Hallein GmbH to the Schweighofer Group. M-real Hallein GmbH assets consist of the Hallein pulp mill, bioenergy plant, paper mill closed in 2009 and the surrounding estate. The pulp mill's annual capacity is 160,000 tonnes of sulphite pulp and the amount of personnel is approximately 200. The debt-free value of the transaction is approximately EUR 34 million and the positive cash impact for M-real approximately EUR 24 million. The divestment is expected to reduce M-real's annual sales by approximately EUR 75 million and improve the operating result by approximately EUR 5 million based on Hallein mill's actual performance in 2010. The transaction is subject to the approval of Austrian competition authorities and it is expected to be closed during 3Q 2011.

In June, M-real announced that it will divest its 35% holding in Myllykoski Paper and the capital loan that it has granted to Myllykoski Paper to UPM-Kymmene Corporation. The transaction has a EUR 10.5 million positive cash impact. The transaction is subject to the closing of UPM's acquisition of Myllykoski Group and Rhein Papier and the approval of competition authorities. The transaction is expected to be completed during 3Q 2011.

M-real announced its new plans to eliminate financial losses of its paper business in May. M-real has had several unsuccessful attempts to divest the Alizay paper mill during recent years. Possibilities to divest the mill are still being pursued. In May, M-real initiated a public process to find credible candidates to acquire the Alizay paper mill by the end of September 2011 at the latest. Should M-real fail to find a credible buyer for the mill within the given time frame, M-real plans to close the mill down.

M-real also plans to divest the entire Gohrsmühle mill in Germany or alternatively parts of the mill based on a Paper Park concept. In case the divestment would turn out to be unsuccessful, M-real has commenced a process to discontinue the uncoated fine and the unprofitable parts of the speciality paper operations at Gohrsmühle mill. Should the closures materialise, Gohrsmühle mill would only produce cast coated label and packaging products (Chromolux). M-real is also planning to discontinue its remaining carbonless paper converting operations at the Reflex mill in Germany.

With the implementation of the planned measures in Alizay, Gohrsmühle and Reflex, M-real's annual sales are estimated to decrease by approximately EUR 390 million and its operating result to improve by about EUR 60 million, based on the 2010 actual figures. Most of the possible impact on sales and profit is expected to be seen in 2012 and full impact from 2013 onwards. As a result of the planned measures, M-real's annual paper production capacity would reduce by about 500,000 tonnes, of which about 430,000 tonnes would be uncoated fine paper and 70,000 tonnes coated specialty papers. Implementations of any measures are subject to the completion of statutory consultation processes with employees based on applicable local legislation. M-real will be proactive in the mitigation of the planned measures' negative impacts for the employees.

In total the planned measures in Alizay, Gohrsmühle and Reflex are preliminarily expected to result in approximately EUR 170 million negative non-recurring result impacts out of which EUR 22 million was booked in the Q2 2011. The estimated net cash costs are EUR 50 million. The estimates of the non-recurring financial impacts are preliminary and they will be further determined when the final decisions for the planned measures are taken.

In January, M-real launched a EUR 70 million profit improvement programme for 2011. The programme focuses on improving the profitability of the paper business operations as well as on decreasing the variable costs of all businesses. The earlier-announced profit improvement impact of the cartonboard investments in Simpele and Kemi and the closure of speciality paper production at Simpele are included in the new profit improvement programme. The full effect of the programme on operating profit, EUR 70 million, is expected to be reached from 2012 onwards. The result improvement in 2011 is expected to be approximately EUR 30 million. Cost inflation is estimated to accelerate in 2011. M-real's new profit improvement programme and the earlier programmes are estimated to have a total positive impact of approximately EUR 90 million on the 2011 result, which is believed to mainly offset the increased cost inflation.

Financing

At the end of June, M-real's equity ratio was 33.9 per cent (31 December 2010: 32.1) and gearing ratio was 120 per cent (135). The net gearing ratio was 84 per cent (83). Some of M-real's loan agreements set a 120 per cent limit on the company's net gearing ratio and a 30 per cent limit on the equity ratio. Calculated as defined in the loan agreements, the gearing ratio at the end of June was approximately 64 per cent (64) and equity ratio approximately 40 per cent (38).

The change in the fair value of investments available for sale was approximately EUR +7 million, mainly due to the increase in the value of the Pohjolan Voima shares, during the period under review.

Net interest-bearing liabilities amounted to EUR 809 million at the end of June (827). Foreign-currency-denominated loans accounted for 6 per cent; 77 per cent were floating-rate, and the rest were fixed-rate. At the end of June, the average interest rate on loans was 5.9 per cent and the average maturity of long-term loans 2.2 years. The average interest rate was increased by a decrease in the portion of Metsäliitto Group's internal short-term financing. The interest rate maturity of loans was 11.9 months at the end of June. During the period, the interest rate maturity varied between seven and twelve months.

Cash flow from operations amounted to EUR 56 million (Q1–Q2/2010: 0). Working capital increased by EUR 5 million (71). In the cash flow statement, the net financial expenses for the period include a dividend of EUR 45 million paid by Metsä-Botnia.

At the end of the period under review, an average of 4.5 months of the net foreign currency exposure was hedged. The degree of hedging varied between four and five months during the period. Approximately 26 per cent of the non-euro-denominated equity was hedged at the end of the period under review.

Liquidity continues at a good level. At the end of the period under review, liquidity was EUR 270 million, of which EUR 7 million consisted of undrawn pension premium (TyEL) loans and EUR 263 million of liquid assets and investments. In March, Metsäliitto Cooperative made an early repayment of the EUR 49 million vendor note received in connection to the restructuring of Metsä-Botnia ownership in 2009. In June, M-real's liquidity decreased when Botnia redeemed its own shares from UPM Kymmene Corporation in accordance with the partnership, decreasing Botnia's deposits in M-real's subsidiary Metsä Finance. At the end of June, EUR 45 million of the liquid assets and investments are assets deposited by other Metsäliitto Group businesses in M-real's subsidiary Metsä Finance. To meet its short-term financing needs, the Group also had at its disposal uncommitted domestic and foreign commercial paper programmes and credit facilities amounting to EUR 517 million.

Standard & Poors raised the outlook of M-real's credit rating B- from stable to positive.

Shares

In January–June, the highest price for M-real's A share on NASDAQ OMX Helsinki Ltd. was EUR 3.34, the lowest EUR 2.60, and the average price EUR 3.09. At the end of June, the price of the A share was EUR 3.10. At the end of 2010, the price of the A share was EUR 2.85, while the average price in 2010 was EUR 2.85.

In January–June, the highest price of M-real's B share was EUR 3.33, the lowest EUR 2.50, and the average price EUR 2.99. At the end of June, the price of the B share was EUR 2.94. At the end of 2010, the price of the B share was EUR 2.54, while the average price in 2010 was EUR 2.44.

The trading volume of the A shares was EUR 4 million, or 3 per cent of the share capital. The trading volume of the B shares was EUR 367 million, or 42 per cent of the share capital. The market value of the A and B shares totalled EUR 971 million at the end of June.

At the end of June, Metsäliitto Cooperative owned 39 per cent of the shares, and the voting rights conferred by these shares amounted to 61 per cent. International investors held 11 per cent of the shares.

The company does not hold any treasury shares.

Reduction of the share premium account

The Annual General Meeting decided to reduce the share premium account in operating capital, as stated on the parent company's balance sheet on 31 December 2010, by transferring all funds in the account, or EUR 663,812,052.56, to the company's non-

restricted equity reserve. The reduction of the share premium account will take place without consideration and it does not impact the company's number of shares, the rights conferred by the shares, or the proportionate ownership of the shareholders. The reduction will become effective after the completion of the creditor protection procedure referred to in the Limited Liability Companies Act. The creditor protection procedure is expected to be completed in August 2011. The reduction improves the company's capability to pay dividends in the future.

Events after the period

M-real Corporation's negotiations to divest its Premium Papers business to a sister company of German Papierwerke Lenk AG were suspended in July. M-real announced in April 2011 the Memorandum of Understanding (MoU) regarding the divestment of the Germany based Reflex mill's Premium Papers business to a sister company of Papierwerke Lenk AG. The transaction was expected to be closed by the end of Q2 2011. The parties will evaluate possibilities to continue negotiations later and M-real will also consider other options to divest its Premium Papers business.

Near-term outlook

Indications of economic slowdown in the United States and Europe have weakened the outlook in paper and pulp market.

Due to the uncertainty of the European general economy, cartonboard order inflows have weakened from the record level of late 2010 and early 2011 but are still strong. The capacity utilisation rates of M-real's board mills are still high, and the demand for board and profitability of board production continues to be good. In order to compensate for cost inflation, M-real successfully increased the prices of liner in April and announced a price increase of 7-9 per cent in folding boxboard regarding new contracts. The realisation of the price increases in folding boxboard will be resolved in the late summer and early autumn. The production shutdown related to the investment in the modernisation of the coating section at the Kemi mill in September–October will have a negative impact on the result of Consumer Packaging. Worsened paper market situation weakens Äänekoski Paper's and Kyro Paper's profitability that has a negative result impact in Consumer Packaging business area.

In the short term, the profitability of M-real's paper businesses is negatively impacted by the plans to eliminate the financial losses of the Alizay mill and Speciality Paper business area. In addition, the weakened market situation for all paper grades will negatively impact the result. In order to compensate for cost inflation, M-real announced a price increase of 5–8 per cent for office paper in June, aiming to implement it by the end of the year.

The weakening of the demand for paper also causes uncertainty in the pulp market. Pulp deliveries are estimated to decrease slightly in the next few months and the euro-denominated average price to be slightly lower in 3Q compared to the level of 2Q. In addition, the extensive maintenance shutdowns at Botnia's pulp mills will have a negative impact on M-real's 3Q profitability.

Cost inflation has clearly accelerated in 2011. M-real's launched a EUR 70 million profit improvement programme for 2011 in January. The new profit improvement programme and the earlier programmes are estimated to have a total positive impact of approximately

EUR 90 million on the 2011 result, which is believed to mainly offset the increased cost inflation.

M-real's 3Q 2011 operating result, excluding non-recurring items, is expected to weaken clearly from 2Q 2011 due to the worsened paper and pulp market situation, planned measures at Alizay and Speciality Papers as well as investment and maintenance shutdowns at Botnia's pulp mills. Profitability of board production is expected to be good also in 3Q 2011.

Near-term business risks

Risks of the economic growth of the euro zone slowing down or coming to a standstill and of the demand for board and paper products experiencing another downturn have increased. Should the demand for M-real's main products considerably decrease, there would be a risk of prices declining.

M-real has a good opportunity to cover the increased cost inflation mainly with its own profit improvement measures. However, there is a risk that the cost levels of production factors will increase more than the current estimates, which would have a negative impact on profitability.

M-real has announced significant new plans to eliminate the losses of its paper business. Implementing the reorganisation of operations carries a risk of not being able to carry out the plans as pursued. There is still a risk of the profit-making ability of the units concerned weakening significantly further as the implementation of the plans proceeds.

The company's short-term and medium-term financial position is secure. As a result of increasing uncertainty and regulation in the financial market, the operation of the credit and bond markets may become more difficult, which may hamper the company's ability to acquire long-term debt financing at a competitive price.

Because the forward-looking estimates and statements of these financial statements are based on current plans and estimates, they contain risks and other uncertain factors that may cause the results to differ from the statements concerning them. In the short term, M-real's result will be particularly affected by the price of and demand for finished products, raw material costs, the price of energy, and the exchange rate development of the euro. More information about longer-term risk factors can be found on pages 35–36 of M-real's 2010 annual report.

M-REAL CORPORATION

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M-real Corporation Interim Report 1 January–30 June 2011 4 August 2011 at 12:00

More information is available starting from 1 pm on 4 August 2011. A conference call held in English for investors and analysts starts at 3 p.m. (EET). Conference call participants are requested to dial in and register a few minutes prior to the start of the conference call on the following numbers:

Europe: +44 (0)20 7162 0025

US: +1 334 323 6201

The conference ID is 891243.

BUSINESS AREAS AND MARKET DEVELOPMENT

Consumer Packaging business area

Consumer Packaging	2011	2011	2010	2010	2010	2011	2010	2010
	Q2	Q1	Q4	Q3	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Sales, EUR million	279	299	303	305	310	578	567	1 175
EBITDA, EUR million	50	63	49	48	51	113	103	200
excl. non-recurring items	51	63	52	48	51	114	103	203
Operating result, EUR million	38	50	24	34	38	88	77	135
excl. non-recurring items	39	50	38	34	38	89	77	149
excl. non-recurring items, %	14.0	16.7	12.5	11.1	12.3	15.4	13.6	12.7
Return on capital employed, %	20.5	27.8	13.7	18.1	21.1	24.3	26.7	19.4
excl. non-recurring items, %	20.9	27.8	22.0	18.1	21.1	24.5	26.7	21.5
Deliveries, 1,000 tonnes	315	334	344	353	372	649	693	1 390
Production, 1,000 tonnes	317	344	362	353	363	662	705	1 420
Personnel at the end of period	1 622	1 441	1 441	1 461	1 679	1 622	1 679	1 441

(Personnel figures of Kaskinen pulp mill have been moved to Market Pulp and Energy's personnel)

Result for April–June compared to the previous quarter

The operating result excluding non-recurring items for the Consumer Packaging business area decreased from the previous quarter and was EUR 39 million (Q1/2011: 50). The result was weakened by the investment shutdown at Simpele, the weakening of the coated fine paper market and lower average selling prices due to the weakening of the US dollar and pound sterling.

The result included EUR 1 million of non-recurring expenses. The result for the previous quarter did not include non-recurring items.

The deliveries of European folding boxboard producers were 1 per cent lower compared with the previous quarter. Consumer Packaging's deliveries of folding boxboard were down by 3 per cent due to the Simpele investment shutdown.

Result for January–June compared with the corresponding period last year

The operating result excluding non-recurring items for the Consumer Packaging business area improved from the corresponding period last year and totalled EUR 89 million (77). The most significant factor improving the result was the average sales price of board which had increased due to the price increases achieved. The result was weakened by increasing prices of raw materials and energy and the weakening of the US dollar against the euro.

The result included EUR 1 million of non-recurring expenses. The result for the corresponding period last year did not include non-recurring items.

The deliveries of European folding boxboard producers increased by 1 per cent compared to the corresponding period last year. Consumer Packaging's deliveries of folding boxboard were up 3 per cent.

Office Papers business area

Office Papers	2011	2011	2010	2010	2010	2011	2010	2010
	Q2	Q1	Q4	Q3	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Sales, EUR million	166	184	181	164	153	350	313	658
EBITDA, EUR million	7	4	9	17	6	11	17	43
excl. non-recurring items	7	4	10	17	6	11	17	44
Operating result, EUR million	-3	-6	9	9	-4	-9	-4	14
excl. non-recurring items	-3	-6	0	9	-4	-9	-4	5
excl. non-recurring items, %	-1.8	-3.3	0.0	5.5	-2.6	-2.6	-1.3	0.8
Return on capital employed, %	-2.5	-4.4	6.5	8.5	-4.0	-3.5	-2.0	2.8
excl. non-recurring items, %	-2.4	-4.4	0.0	8.5	-4.0	-3.5	-2.0	1.1
Deliveries, 1,000 tonnes	222	241	248	212	212	463	449	909
Production, 1,000 tonnes	226	232	238	228	209	457	444	910
Personnel at the end of period	1 196	1 190	1 208	1 213	1 252	1 196	1 252	1 208

Result for April–June compared to the previous quarter

The operating result excluding non-recurring items for Office Papers improved compared to the previous quarter and was EUR -3 million (Q1/2011: -6). The result was improved by lower pulp and energy costs.

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

Total deliveries by European uncoated fine paper producers were down 5 per cent compared to the previous quarter. The delivery volume of Office Papers decreased by 8 per cent.

Result for January–June compared with the corresponding period last year

The operating result for Office Papers, excluding non-recurring items, weakened compared to the corresponding period last year and totalled EUR -9 million (-4). The result was weakened by the higher prices of pulp, other raw materials and energy as well as the strengthening of the Swedish krona against the euro. The most significant factor improving the result was the average sales price which had increased due to the price increases.

The result does not include non-recurring items. The result for the corresponding period last year did not include non-recurring items.

Total deliveries by European uncoated fine paper producers decreased by 3 per cent year-over-year. The delivery volume of Office Papers increased by 3 per cent.

Speciality Papers business area

Speciality Papers	2011	2011	2010	2010	2010	2011	2010	2010
	Q2	Q1	Q4	Q3	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Sales, EUR million	73	78	66	75	80	151	162	303
EBITDA, EUR million	-14	-7	0	5	-18	-21	-22	-17
excl. non-recurring items	-5	-7	-7	-3	-2	-12	-6	-16
Operating result, EUR million	-29	-9	-31	4	-21	-38	-27	-54
excl. non-recurring items	-7	-9	-8	-7	-5	-16	-11	-26
excl. non-recurring items, %	-9.6	-11.5	-12.1	-9.3	-6.3	-10.6	-6.8	-8.6
Return on capital employed, %	-207.3	-50.1	-155.6	18.0	-76.3	-138.7	-87.6	-49.1
excl. non-recurring items, %	-49.5	-50.1	-43.0	-24.5	-18.8	-57.0	-32.8	-23.6
Deliveries, 1,000 tonnes	55	60	49	57	66	115	140	246
Production, 1,000 tonnes	55	59	46	52	67	113	151	235
Personnel at the end of period	994	1 006	1 007	1 132	1 165	994	1 165	1 007

(Personnel figures of Hallein pulp mill have been moved to Market Pulp and Energy's personnel)

Result for April–June compared to the previous quarter

The operating result excluding non-recurring items for Speciality Papers improved slightly compared to the previous quarter and was EUR -7 million (Q1/2011: -9). The result was boosted by a higher average selling price. The result was weakened by the lower delivery volume and higher raw material costs.

The result included non-recurring items of a total of EUR -22 million in impairment losses and cost provisions related to the restructuring plans at Gohrsmühle and personnel cuts at Reflex announced on 4 May. The result for the previous quarter did not include non-recurring items.

The delivery volume of Speciality Papers fell by 8 per cent.

Result for January–June compared with the corresponding period last year

The operating result for Speciality Papers, excluding non-recurring items, weakened compared to the corresponding period last year and totalled EUR -16 million (-11). The result was weakened by the higher prices of pulp and other raw materials and the lower delivery volume of paper. The result was improved by the implemented price increases and cost saving measures.

The result includes non-recurring items of a total of EUR -22 million. The result for the corresponding period the previous year included a non-recurring item of EUR -16 million related to the planned shutdown of the two paper machines at the Reflex mill and the reorganisation of the Reflex and Gohrsmühle organisations.

The delivery volume of Speciality Papers fell by 18 per cent.

Market Pulp and Energy business area

Market Pulp and Energy	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	2010 Q1-Q4
Sales, EUR million	117	110	106	107	126	227	221	434
EBITDA, EUR million	-1	13	19	19	23	12	37	75
excl. non-recurring items	11	13	19	23	23	24	37	79
Operating result, EUR million	-43	7	-1	12	16	-35	25	36
excl. non-recurring items	5	7	12	16	16	13	25	53
excl. non-recurring items, %	4.3	6.4	11.3	15.0	12.7	5.7	11.3	12.2
Return on capital employed, %	-27.8	4.7	-0.4	7.6	11.4	-11.5	9.0	6.0
excl. non-recurring items, %	3.3	4.7	7.9	10.1	11.4	4,1	9.0	8.9
Deliveries, 1,000 tonnes	195	174	168	167	194	369	355	690
Personnel at the end of period	305	302	301	304	297	305	297	301

(Personnel figures of Kaskinen and Hallein pulp mills have been included in Market Pulp and Energy's personnel)

Result for April–June compared to the previous quarter

The operating result excluding non-recurring items for the Market Pulp and Energy business area weakened compared with the previous quarter and was EUR 5 million (Q1/2011: 7). The result was weakened by the slightly lower selling price of pulp. The result was improved by the higher delivery volume.

The result includes non-recurring items of a total of EUR -49 million related to the divestment of the Hallein pulp mill. The result for the previous quarter did not include non-recurring items.

Result for January–June compared with the corresponding period last year

The operating result of the Market Pulp and Energy business area, excluding non-recurring items, weakened compared to the corresponding period last year and totalled EUR 13 million (25). The result was weakened by the higher cost of wood, chemicals, other raw materials and energy. The result was improved by the higher delivery volume. The average selling price of pulp was on a par with the previous year.

The result includes non-recurring items of a total of EUR -49 million related to the divestment of the Hallein pulp mill. The result for the corresponding period last year did not include non-recurring items.

Condensed consolidated statement of comprehensive income

EUR million	2011 Q1- Q2	2010 Q1- Q2	Change	2010 Q1-Q4	2011 Q1	2011 Q2
Continuing operations						
Sales	1 345	1 278	67	2 605	685	660
Other operating income	37	32	5	108	22	15
Operating expenses	-1297	-1201	-96	-2 479	-651	-646
Share of results in associated companies *)	40	34	6	78	21	19
Depreciation and impairment losses	-111	-59	-52	-166	-31	-80
Operating result	14	84	-70	146	46	-32
% of sales	1.0	6.6		5.6	6.7	-4.8
Share of results in associated companies	-4	-20	16	-24	0	-4
Net exchange gains and losses	2	-6	8	-9	2	0
Other net financial items	-34	-33	-1	-65	-17	-17
Result before income tax	-22	25	-47	48	31	-53
% of sales	-1.6	2.0		1.8	4.5	-8.0
Income taxes	-9	-14	5	-21	-3	-6
Result for the period from continuing operations	-31	11	-42	27	28	-59
% of sales	-2.3	0.9		1.0	4.1	-8.9
Discontinued operations						
Result from discontinued operations	0	0	0	0		0
Result for the period	-31	11	-42	27	28	-59
Other comprehensive income						
Cash flow hedges	-7	-10	3	10	-3	-4
Available for sale financial assets	7	20	-13	28	2	5
Translation differences	-6	6	-12	12	0	-6
Share of results in associated companies	0	3	-3	2	0	0
Income tax relating to components of other comprehensive income	0	2	-2	-2	0	0
Other comprehensive income, net of tax	-6	21	-27	50	-1	-5
Total comprehensive income for the period	-37	32	-69	77	27	-64
Result for the period attributable to						
Shareholders of parent company	-31	11	-42	28	28	-59
Non-controlling interests	0	0	0	-1	0	0
Total comprehensive income for the period attributable to						
Shareholders of parent company	-37	32	-69	78	27	-64
Non-controlling interests	0	0	0	-1	0	0
Total	-37	32	-69	77	27	-64
Earnings per share for result attributable to shareholders of parent company (EUR/share)						
from continuing operations	-0.09	0.03	-0.12	0.09	0.08	-0.17
from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
Total	-0.09	0.03	-0.12	0.09	0.08	-0.17

*) Metsä-Botnia's net result is included from 8.12.2009 on in operating result at row "Share of results in associated companies"

Condensed consolidated balance sheet

EUR million	30.6. 2011	%	30.6. 2010	%	31.12. 2010	%
ASSETS						
Non-current assets						
Goodwill	13	0.5	13	0.4	13	0.4
Other intangible assets	24	0.8	34	1.1	26	0.8
Tangible assets	961	33.9	1 108	36.0	1 063	34.1
Investments in associated companies	253	8.9	226	7.3	265	8.5
Available for sale investments	321	11.3	324	10.5	314	10.1
Other non-current financial assets	16	0.6	65	2.1	67	2.1
Deferred tax receivables	4	0.1	4	0.1	3	0.1
	1 592	56.1	1 774	57.5	1 751	56.1
Current assets						
Inventories	377	13.3	336	10.9	391	12.6
Accounts receivables and other receivables	536	18.9	598	19.4	567	18.2
Cash and cash equivalents	262	9.2	366	11.9	408	13.1
	1 175	41.4	1 300	42.2	1 366	43.9
Assets classified as held for sale	70	2.5	8	0.3		
Total assets	2 837	100.0	3 082	100.0	3 117	100.0
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity						
Equity attributable to shareholders of parent company	957	33.7	948	30.8	994	31.9
Non-controlling interests	5	0.2	6	0.2	5	0.2
Total equity	962	33.9	954	31.0	999	32.1
Non-current liabilities						
Deferred tax liabilities	181	6.4	169	5.5	179	5.8
Post-employment benefit obligations	79	2.8	81	2.6	85	2.7
Provisions	21	0.7	68	2.2	35	1.1
Borrowings	880	31.0	1 072	34.8	1 016	32.6
Other liabilities	11	0.4	29	0.9	26	0.8
	1 172	41.3	1 419	46.0	1 341	43.0
Current liabilities						
Provisions	16	0.6	13	0.4	7	0.2
Current borrowings	268	9.4	265	8.6	334	10.7
Accounts payable and other liabilities	380	13.4	431	14.0	436	14.0
	664	23.4	709	23.0	777	24.9
Liabilities classified as held for sale	39	1.4				
Total liabilities	1 875	66.1	2 128	69.0	2 118	67.9
Total shareholders' equity and liabilities	2 837	100.0	3 082	100.0	3 117	100.0

Assets classified as held for sale and related liabilities include M-real Hallein GmbH and Myllykoski Paper Oy and in previous year paper machine 2 in Kangas paper mill.

Condensed consolidated cash flow statement

EUR million	2011 Q1-Q2	2010 Q1-Q2	2010 Q1-Q4	2011 Q2
Result for the period	-31	11	27	-58
Total adjustments	92	60	108	73
Change in working capital	-5	-71	-86	31
Cash flow arising from operations	56	0	49	46
Net financial items	1	-55	-102	-26
Income taxes paid	-5	-10	-16	-3
Net cash flow arising from operating activities	52	-65	-69	17
Investments in intangible and tangible assets	-43	-17	-66	-31
Divestments of assets and other	62	14	86	8
Net cash flow arising from investing activities	19	-3	20	-23
Changes in non-current loans and in other financial items	-216	-62	-39	-149
Dividends paid	0	-2	-2	0
Net cash flow arising from financing activities	-216	-64	-41	-149
Changes in cash and cash equivalents	-145	-132	-90	-155
Cash and cash equivalents at beginning of period	408	497	497	418
Translation difference in cash and cash equivalents	0	1	1	0
Changes in cash and cash equivalents	-145	-132	-90	-155
Assets held for sale	-1	0	0	-1
Cash and cash equivalents at end of period	262	366	408	262

Net financial items for January June include dividend of EUR 45 million paid by Metsä-Botnia. Net financial items for January June include some EUR 15 million payments related to equity hedging (Q1-Q2/2010 some EUR 12 million). Net financial items of financial year 2010 include some EUR 27 million payments related to equity hedging.

Statement of changes in shareholders' equity Q1-Q2 2010

EUR million	Equity attributable to shareholders of parent company							Non-controlling interests	Total
	Share capital	Share premium account	Translation differences	Fair value and other reserves	Retained earnings	Total			
Shareholders' equity, 1 January 2010	558	667	2	194	-504	916	8	924	
Comprehensive income for the period									
Result for the period					11	11	0	11	
Other comprehensive income									
Cash flow hedges				-10		-10		-10	
Available for sale investments				20		20		20	
Translation differences			6			6	0	6	
Share of other comprehensive income of associated companies			2	1		3		3	
Income tax relating to components of other comprehensive income			4	-2		2		2	
Other comprehensive income total			12	9	0	21	0	21	
Comprehensive income total			12	9	11	32	0	32	
Related party transactions									
Dividends paid							-2	-2	
Shareholders' equity, 30 June 2010	558	667	14	203	-493	948	6	954	

Statement of changes in shareholders' equity Q1-2Q2 2011

EUR million	<u>Equity attributable to shareholders of parent company</u>								
	Share capital	Share premium account	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interests	Total	
Shareholders' equity, 1 January 2011	558	667	23	223	-476	994	5	999	
Comprehensive income for the period									
Result for the period					-31	-31	0	-31	
Other comprehensive income									
Cash flow hedges				-7		-7		-7	
Available for sale investments				7		7		7	
Translation differences			-6			-6		-6	
Share of other comprehensive income of associated companies			0	0		0		0	
Income tax relating to components of other comprehensive income			0	0		0		0	
Other comprehensive income total			-6	0	0	-6		-6	
Comprehensive income total			-6	0	-31	-37	0	-37	
Related party transactions									
Dividends paid							0	0	
Shareholders' equity, 30 June 2011	558	667	17	223	-507	957	5	962	

Key ratios	2011 Q1-Q2	2010 Q1-Q2	2010	2011 Q1	2011 Q2
Sales, EUR million	1 345	1 278	2 605	685	660
EBITDA, EUR million	125	143	312	77	48
excl. non-recurring items, EUR million	136	149	305	74	62
EBITDA, %	9.3	11.2	12.0	11.2	7.3
excl. non-recurring items, EUR million	10.1	11.7	11.7	10.8	9.4
Operating result, EUR million	12	84	146	46	-34
excl. non-recurring items, EUR million	75	82	173	43	32
EBIT, %	1.0	6.6	5.6	6.7	-4.8
excl. non-recurring items, EUR million	5.6	6.4	6.6	6.3	4.8
Result from continuing operations					
before taxes, EUR million	-22	25	48	31	-53
excl. non-recurring items, EUR million	44	39	92	28	16
Result for the period					
from continuing operations, EUR million	-31	11	27	28	-59
from discontinued operations, EUR million	0	0	0	0	0
Total, EUR million	-31	11	27	28	-59
Earnings per share					
from continuing operations, EUR	-0.09	0.03	0.09	0.08	-0.17
from discontinued operations, EUR	0.00	0.00	0.00	0.00	0.00
Total, EUR	-0.09	0.03	0.09	0.08	-0.17
Earnings per share, excl. non-recurring items, EUR	0.11	0.08	0.23	0.07	0.04
Return on equity, %	-6.3	2.4	2.8	10.8	-23.5
excl. non-recurring items, %	7.0	5.3	7.6	9.5	4.2
Return on capital employed, %	1.4	6.1	5.7	8.4	-6.1
excl. non-recurring items, %	7.2	7.3	7.6	7.8	6.4
Equity ratio at end of period, %	33.9	31.1	32.1	33.6	33.9
Gearing ratio at end of period, %	120	140	135	125	120
Net gearing ratio at end of period, %	84	89	83	78	84
Shareholders' equity per share at end of period, EUR	2.92	2.89	3.03	3.11	2.92
Interest-bearing net liabilities, EUR million	809	845	827	799	809
Gross capital expenditure, EUR million	43	17	66	12	31
Deliveries, 1 000 tonnes					
Paper business	578	589	1 155	301	277
Consumer Packaging	649	693	1 390	334	315
Personnel at the end of period					
In continuing operations	4 699	4 946	4 538	4 515	4 699

EBITDA = Earnings before interest, taxes, depreciation and impairment charges

Securities and guarantees	2011	2010	2010
EUR million	Q2	Q2	
For own liabilities	187	247	192
On behalf of associated companies	0	0	0
On behalf of Group companies	14	13	13
On behalf of others	3	2	1
Total	204	262	206

Open derivative contracts	2011	2010	2010
EUR million	Q2	Q2	
Interest rate derivatives	1 352	1 006	1 248
Currency derivatives	1 675	2 225	2 149
Other derivatives	85	185	83
Total	3 112	3 416	3 480

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -5.4 million (EUR -15.4 million 31 December 2010 and EUR -37.5 million 30 June 2010)

Also include other closed contracts to a total amount of EUR 1,592.4 million (EUR 1,787.2 million 31 December 2010 and EUR 1,557.7 million 30 June 2010).

Commitments related to fixed assets	2011	2010	2010
EUR million	Q2	Q2	
Payments due in following 12 months	1	1	0
Payments due later	1	1	2

Changes in property, plant and equipment	2011	2010	2010
EUR million	Q2	Q2	
Carrying value at beginning of period	1 063	1 130	1 130
Capital expenditure	43	17	65
Decreases	0	0	-16
Asset classified as held for sale	-30	-8	
Depreciation and impairment charges	-108	-55	-159
Translation difference	-7	24	43
Carrying value at end of period	961	1 108	1 063

Assets classified as held for sale include the property, plant and equipment of M-real Hallein GmbH and in previous year paper machine 2 in Kangas paper mill.

Related-party transactions

Transactions and balances with parent and sister companies	2011	2010	2010
EUR million	Q1-Q2	Q1-Q2	Q1-Q4
Sales	32	18	39
Other operating income	3	3	14
Purchases	416	378	839
Dividend income	45		
Interest income	2	5	8
Interest expences	2	0	1
Non-current receivables	4	53	53
Current receivables	90	97	82
Non-current liabilities	0	0	0
Current liabilities	118	200	277

Transactions with associated companies	2011	2010	2010
EUR million	Q1-Q2	Q1-Q2	Q1-Q4
Sales	0	0	0
Purchases	0	0	2
Non-current receivables	0	0	0
Current receivables	4	9	8
Current liabilities	3	5	2

Transactions with Metsä-Botnia include in transaction with sister companies from 8.12.2009 on.

Accounting policies

The financial statements were prepared in accordance with accounting policies set out in International Accounting Standard 34 and in the M-real's Annual report for 2010.

The figures in the financial statement are unaudited.

Calculation of key ratios

Return on equity (%)	=	(Result from continuing operations before tax - direct taxes) per (Shareholders' equity (average))
Return on capital employed (%)	=	(Result from continuing operations before tax + interest expenses, net exchange gains/losses and other financial expenses) per (Shareholders' equity + interest-bearing borrowings (average))
Equity ratio (%)	=	(Shareholders' equity) per (Total assets - advance payments received)
Gearing ratio (%)	=	(Interest-bearing borrowings) per (Shareholders' equity)
Net gearing ratio (%)	=	(Interest-bearing borrowings - liquid funds - interest-bearing receivables) per (Shareholders' 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 the end of period)

Sales and result by segment

EUR million	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	2010 Q1-Q4
Consumer Packaging	279	299	303	305	310	578	567	1 175
Office Papers	166	184	181	164	153	350	313	658
Speciality Papers	73	78	66	75	80	151	162	303
Market Pulp and Energy	117	110	106	107	126	227	221	434
Other operations	74	57	55	53	44	131	90	198
Internal sales	-48	-43	-46	-42	-37	-91	-75	-163
Sales	660	685	665	662	676	1 345	1 278	2 605
Consumer Packaging	50	63	49	48	51	113	103	200
Office Papers	7	4	9	17	6	11	17	43
Speciality Papers	-14	-7	0	5	-18	-21	-22	-17
Market Pulp and Energy	-1	13	19	19	23	12	37	75
Other operations	6	4	-3	6	-1	10	8	11
EBITDA	48	77	74	95	61	125	143	312
% of sales	7.3	11.2	11.1	14.4	9.0	9.3	11.2	12.0
Consumer Packaging	38	50	24	34	38	88	77	135
Office Papers	-3	-6	9	9	-4	-9	-4	14
Speciality Papers	-29	-9	-31	4	-21	-38	-27	-54
Market Pulp and Energy	-43	7	-1	12	16	-35	25	36
Other operations	5	4	-5	7	6	8	13	15
Operating result	-32	46	-4	66	35	14	84	146
% of sales	-4.8	6.7	-0.6	10.0	5.2	1.0	6.6	5.6
Non-recurring items in operating result								
Consumer Packaging	-1	0	-14	0	0	-1	0	-14
Office Papers	0	0	9	0	0	0	0	9
Speciality Papers	-22	0	-23	11	-16	-22	-16	-28
Market Pulp and Energy	-49	0	-13	-4	0	-49	0	-17
Other operations	7	3	0	5	8	10	18	23
Group	-65	3	-41	12	-8	-62	2	-27
Consumer Packaging	51	63	52	48	51	114	103	203
Office Papers	7	4	10	17	6	11	17	44
Speciality Papers	-5	-7	-7	-3	-2	-12	-6	-16
Market Pulp and Energy	11	13	19	23	23	24	37	79
Other operations	-2	1	-3	0	-1	-1	-2	-5
EBITDA, excl. non-recurring items	62	74	71	85	77	136	149	305
% of sales	9.4	10.8	10.7	12.8	11.4	10.1	11.7	11.7
Consumer Packaging	39	50	38	34	38	89	77	149
Office Papers	-3	-6	0	9	-4	-9	-4	5
Speciality Papers	-7	-9	-8	-7	-5	-16	-11	-26
Market Pulp and Energy	5	7	12	16	16	13	25	53
Other operations	-2	1	-5	2	-2	-2	-5	-8
Operating result, excl. non-recurring items	32	43	37	54	43	75	82	173
% of sales	4.8	6.3	5.6	8.2	6.4	5.6	6.4	6.6

Operating result, excl. non-recurring items, % of sales

Consumer Packaging	14.0	16.7	12.5	11.1	12.3	15.4	13.6	12.7
Office Papers	-1.8	-3.3	0.0	5.5	-2.6	-2.6	-1.3	0.8
Speciality Papers	-9.6	-11.5	-12.1	-9.3	-6.3	-10.6	-6.8	-8.6
Market Pulp and Energy	4.3	6.4	11.3	15.0	12.7	5.7	11.3	12.2
Group	4.8	6.3	5.6	8.2	6.4	5.6	6.4	6.6

Metsä-Botnia's net result is included in operating result at row "Share of results in associated companies" from 8.12.2009 on, before that Metsä-Botnia was consolidated on proportionate basis line by line.

Return on capital employed %

Consumer Packaging	20.5	27.8	13.7	18.1	21.1	24.3	26.7	19.4
Office Papers	-2.5	-4.4	6.5	8.5	-4.0	-3.5	-2.0	2.8
Speciality Papers	-207.3	-50.1	-155.6	18.0	-76.3	-138.7	-87.6	-49.4
Market Pulp and Energy	-27.8	4.7	-0.4	7.6	11.4	-11.5	9.0	6.0
Group	-6.1	8.4	-0.7	11.6	3.8	1.4	6.1	5.7

Capital employed, EUR million

Consumer Packaging	744	739	711	749	746	744	746	711
Office Papers	482	539	557	490	423	482	423	557
Speciality Papers	45	69	64	94	105	45	105	64
Market Pulp and Energy	621	631	627	659	601	621	601	627
Unallocated and eliminations	257	330	390	380	415	257	415	390
Group	2 149	2 308	2 349	2 372	2 290	2 149	2 290	2 349

The capital employed for a segment includes its assets: goodwill, other intangible assets, 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)).

Deliveries	2011	2011	2010	2010	2010	2011	2010	2010
1,000 tonnes	Q2	Q1	Q4	Q3	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Consumer Packaging	315	334	344	353	372	649	693	1 390
Office Papers	222	241	248	212	212	463	449	909
Speciality Papers	55	60	49	57	66	115	140	246
Paper business, total	277	301	297	269	278	579	589	1 155
Market Pulp	195	174	168	167	194	369	355	690
Production	2011	2011	2010	2010	2010	2011	2010	2010
1,000 tonnes	Q2	Q1	Q4	Q3	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Consumer Packaging	317	344	362	353	363	662	705	1 420
Office Papers	226	232	238	228	209	457	444	910
Speciality Papers	55	59	46	52	67	113	151	235
Paper business, total	281	291	284	280	276	571	595	1 145
Metsä-Botnia pulp ¹⁾	164	164	164	160	164	328	328	652
M-real pulp	325	340	327	331	308	665	637	1 295

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