



Steadily Improving Financial Performance

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CMD
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Content

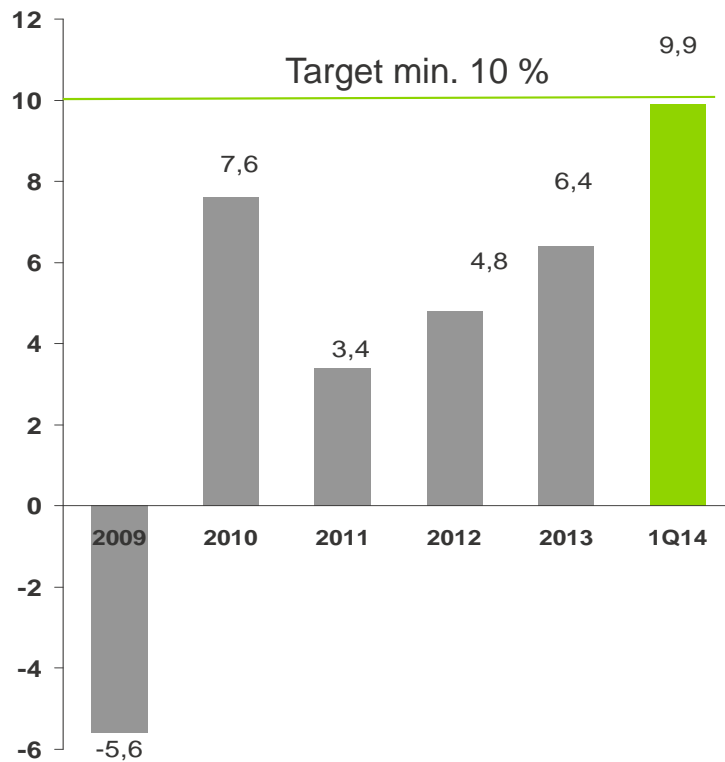
1. Financial Performance
2. Cost Inflation
3. Financing



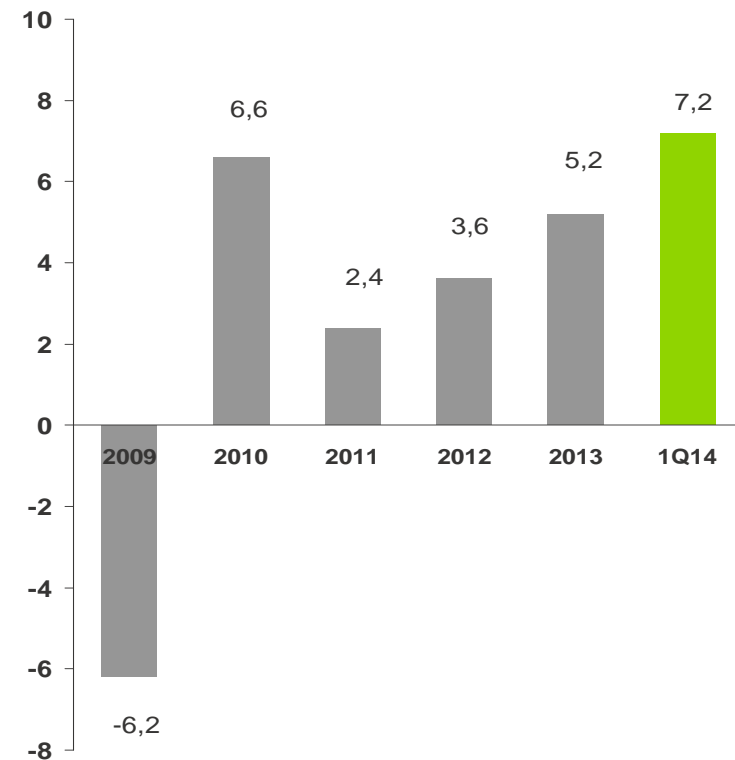
Financial Performance

Metsä Board's Financial Situation Has Improved Materially in Recent Years

ROCE %, excl. non-recurring items

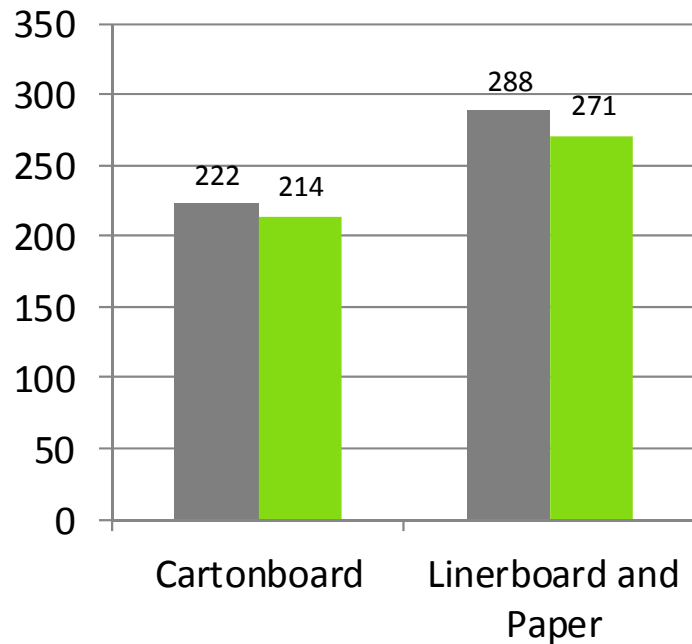


EBIT % of sales excl. non-recurring items,

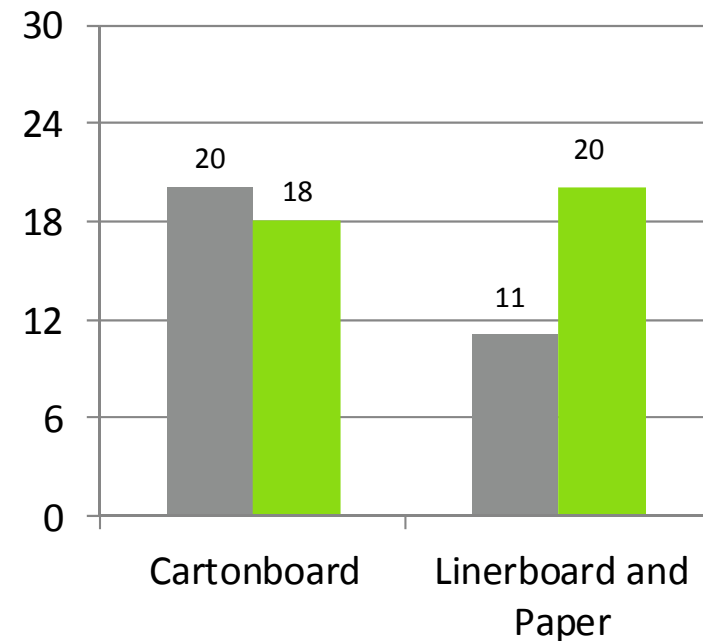


Two Strong Business Areas with Good Growth Outlook

Sales, m€



Operating result, excluding non-recurring items, m€



■ 1Q 2013 ■ 1Q 2014

Metsä Board

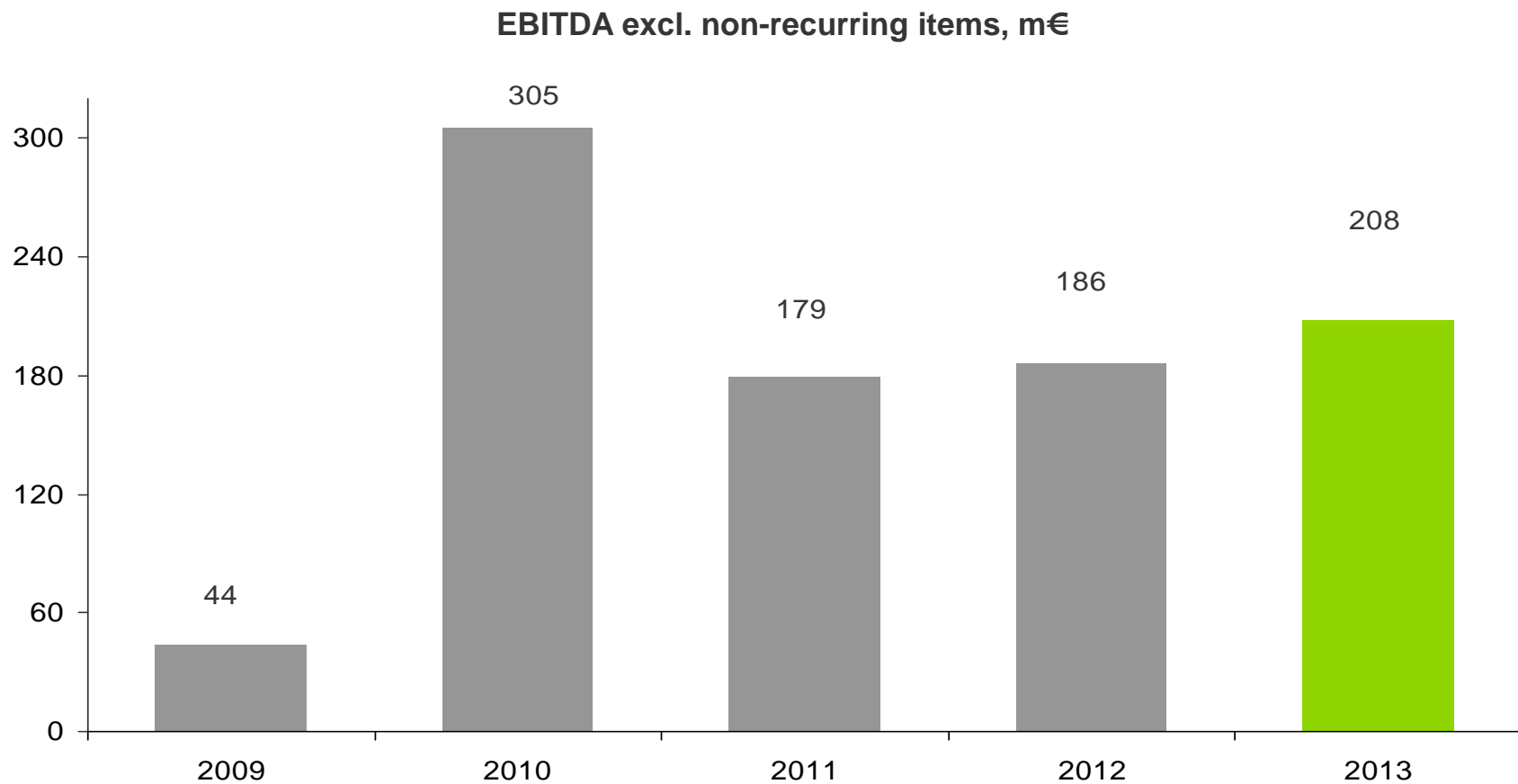


Main Actions to Exceed ROCE 10 %

- Increase of folding boxboard and linerboard sales and secure healthy price levels
- Gradual reduction of unprofitable paper production in Husum
- Profitability improvement of Gohrsmühle mill
- Continuous improvement of productivity and cost competitiveness
- Efficient supply chain and working capital management



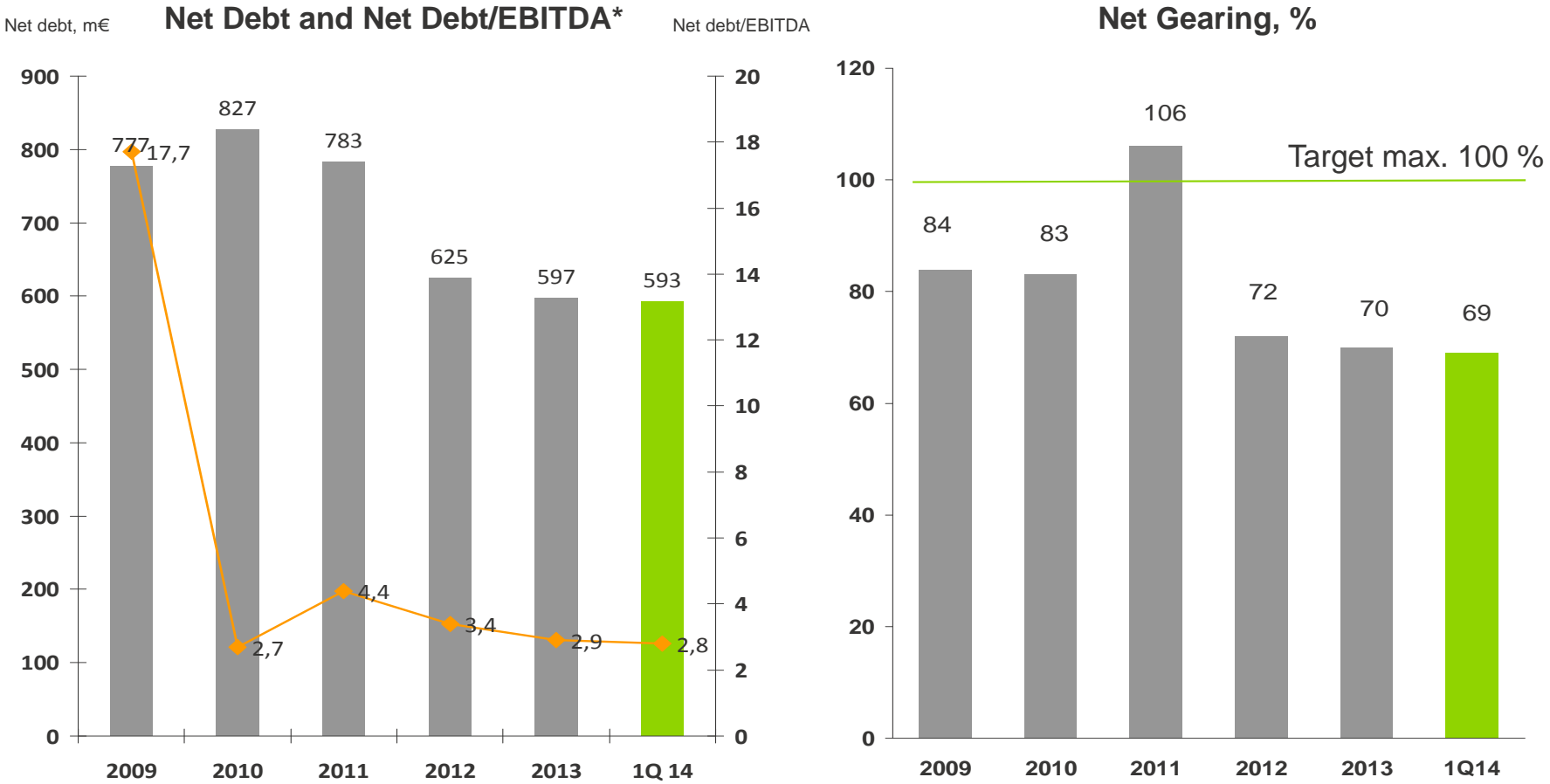
Despite Weak Macroeconomy Metsä Board's EBITDA Has Steadily Improved Since 2011



Metsä Board

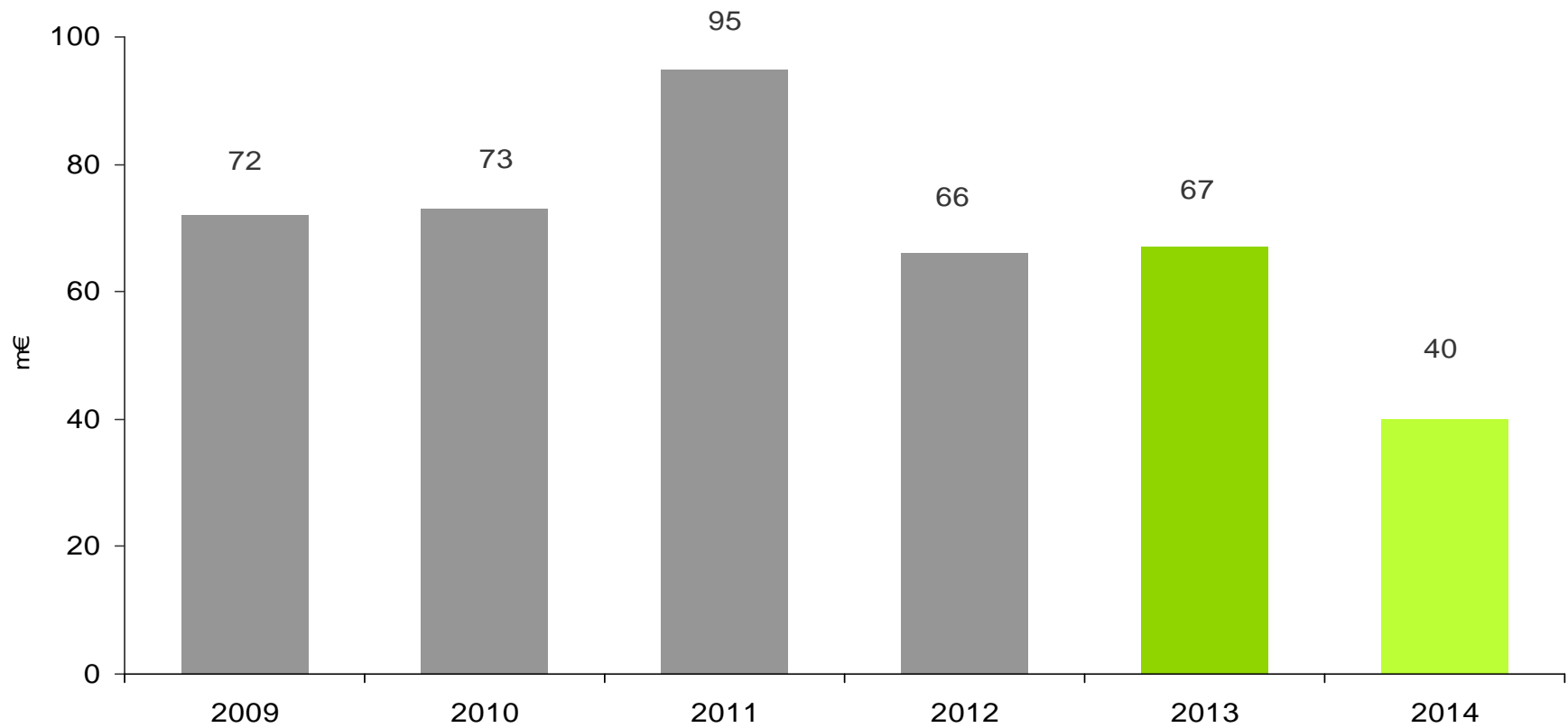


Consistent Strengthening of Balance Sheet



*Excluding non-recurring items

Capex Reducing to about 40 m€ in 2014

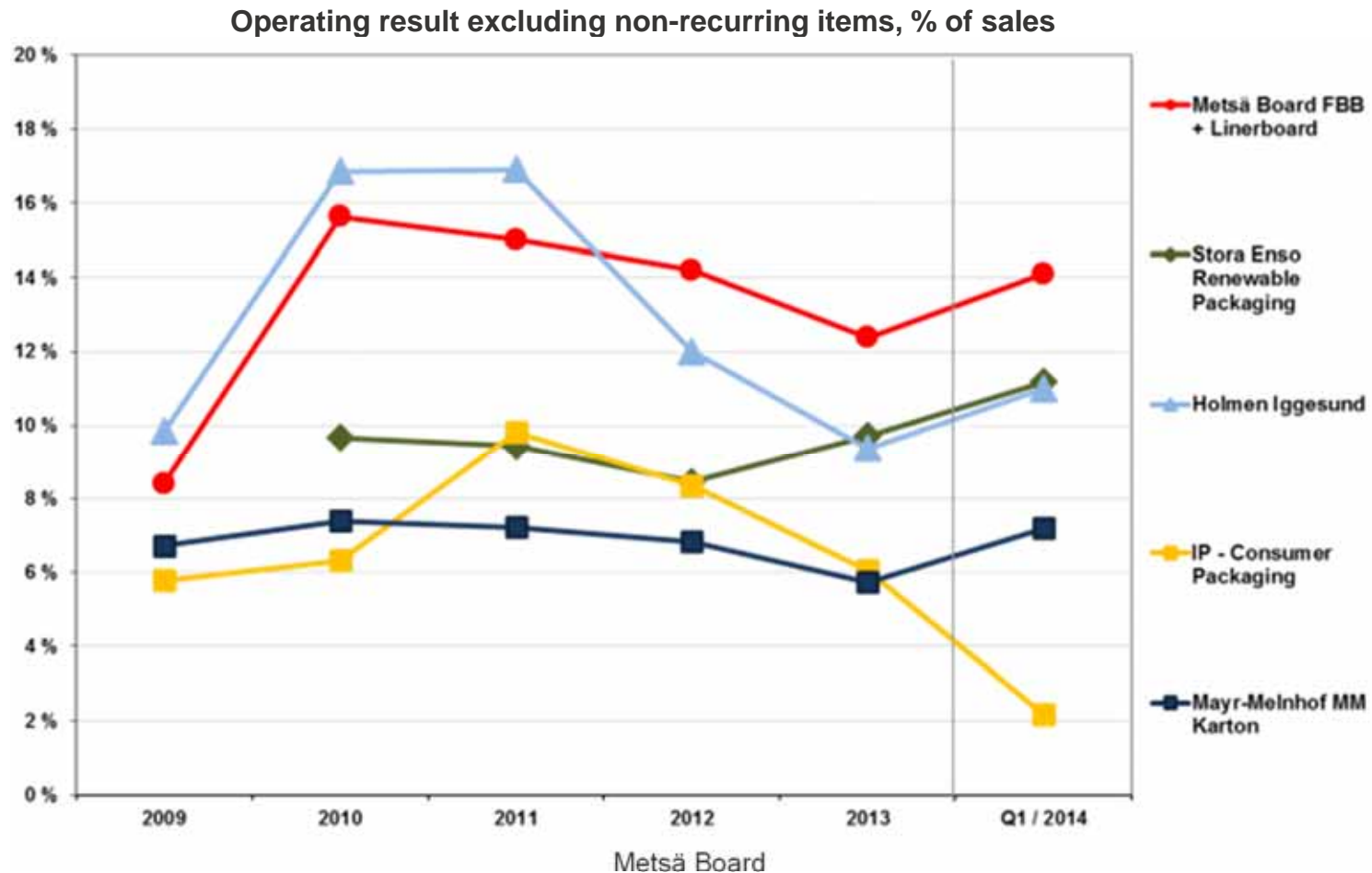


Metsä Board

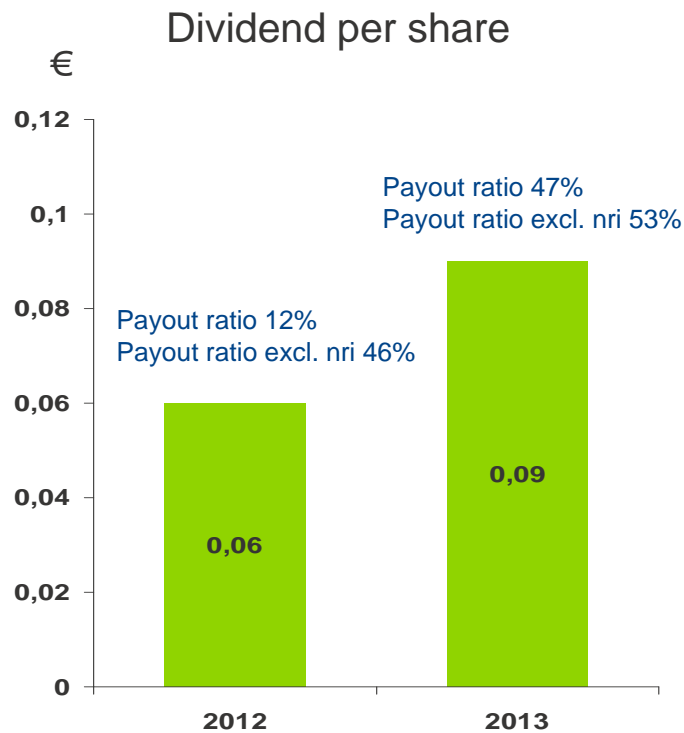
Indicative level for 2014



Profitability of Metsä Board's Core Business is Best in its Field



Metsä Board Remains Committed to a Competitive Dividend



- Metsä Board's policy is to pay a dividend of at least 1/3 of EPS on average over the business cycle
- Dividend payments were resumed in Spring 2013 after finalization of the heavy restructuring of the company



Cost Inflation

Target is to Cover the Normal 1-2 %/a Cost Inflation by Own Continuous Improvement Measures

No cost inflation expected in 2014

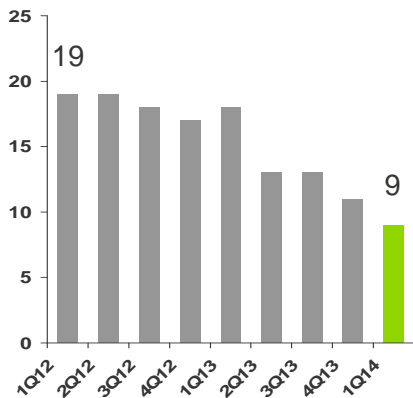
Cost item	Share of total costs	Cost change in 2014 vs. 2013
Wood	22 %	-2 %
Logistics	14 %	+2 %
Chemicals, pigments and fillers	15 %	0 %
Energy	14 %	-4 %
Fixed costs	32 %	+1 %
Fixed and variable costs total		-1 %



Financing

Run Rate of Quarterly Financing Costs Below 10 m€ Thanks to Successful Refinancing

Interest costs excl. nrjs, m€



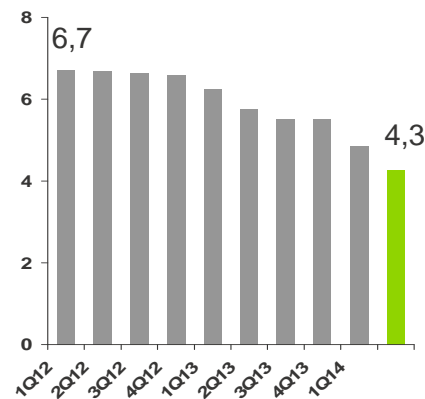
- Refinancing consisted of:
 - 225 m€ unsecured bond issue, over 10 times oversubscribed, 4,000 per cent coupon
 - 250 m€ unsecured term loan and RCF provided by Nordic banks
 - Bond, term loan and RCF to rank pari passu

– Debt structure normalized on an unsecured basis

– Diversified long term funding sources

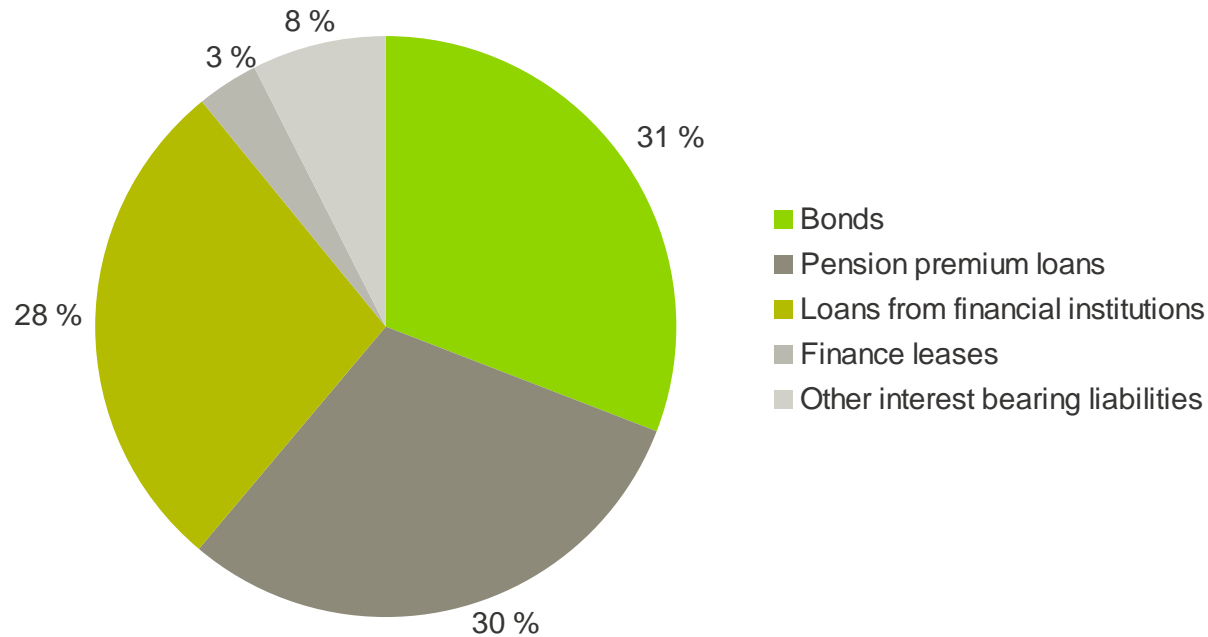
– Maturity profile lengthened

Average interest rate of external loans, %



Diversified Funding Sources and Healthy Liquidity

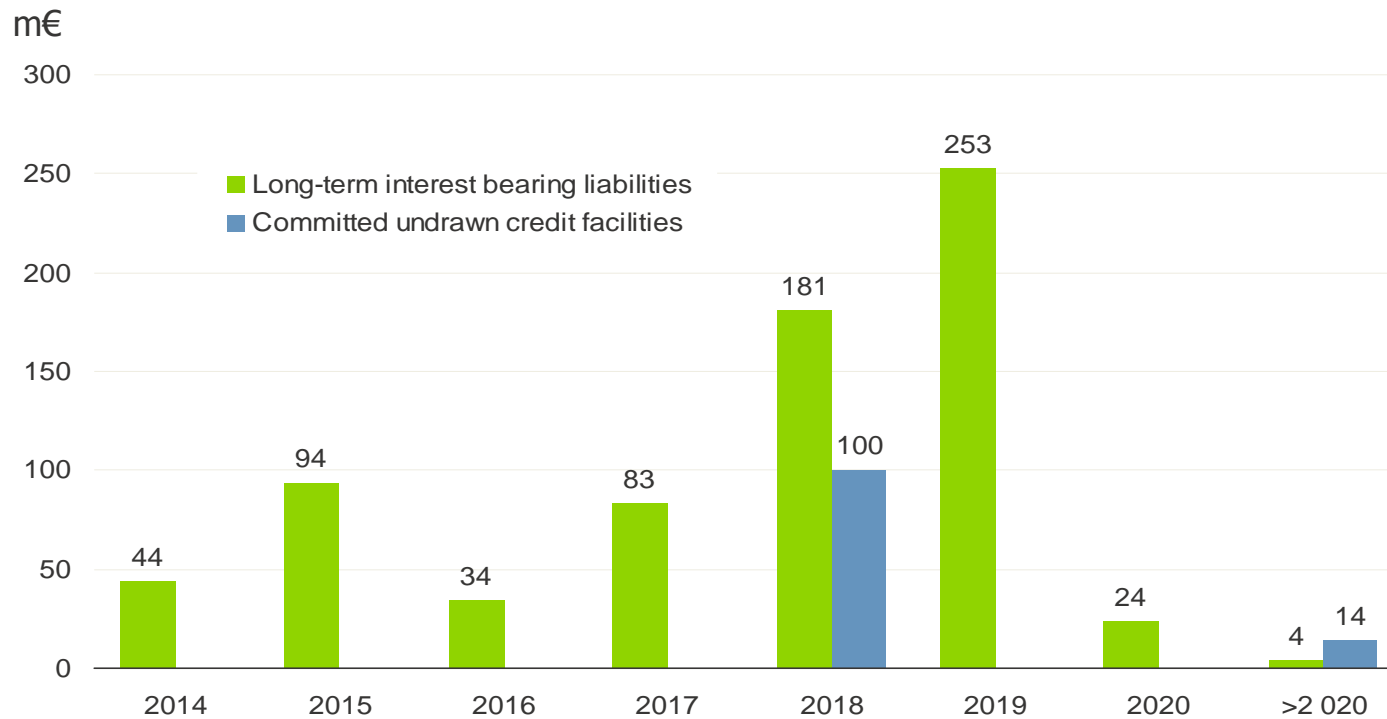
Long-Term Interest Bearing Liabilities 31.3. 2014



Solid liquidity position with 100m€ RCF fully undrawn and 121 m€ of cash and cash equivalent at the end of 1Q 2014. Additionally, 150 m€ reserve in form of Metsä Group's internal undrawn short-term credit facility

Well Balanced Maturity Schedule

Long-term Interest Bearing Liabilities and Committed Undrawn Credit Facilities 31.3.2014



Positive Rating Development

- Standard & Poor's
- Moody's





Thank you!

QA