



Made by Munksjö™

A photograph of a modern kitchen sink area. The sink is stainless steel and set into a dark grey countertop. A sleek, modern stainless steel faucet is positioned behind the sink. To the right of the sink, there is a bunch of fresh green herbs and a head of cauliflower. The background is a dark grey wall with a subtle texture.

# Munksjö

## Financial Statements Bulletin 2015

## Strong cash flow in the fourth quarter. Full year profitability affected by higher raw material prices.

### Highlights of the fourth quarter 2015

- Net sales were EUR 290.0 (281.0) million.
- Adjusted EBITDA was EUR 22.1 (28.4) million and the adjusted EBITDA margin was 7.6% (10.1%).
- Operating result adjusted for non-recurring items was EUR 8.5 (14.4) million. There were no non-recurring items in the reporting period.
- Operating result was EUR 8.5 (10.7) million and net result EUR 7.2 (2.7) million.
- Earnings per share (EPS) were EUR 0.14 (0.05).
- Operating cash flow was EUR 44.5 (33.3) million.

### Highlights of January-December 2015

- Net sales were EUR 1,130.7 (1,137.3) million.
- Adjusted EBITDA was EUR 93.6 (105.0) million and the adjusted EBITDA margin was 8.3% (9.2%).
- Operating result adjusted for non-recurring items was EUR 40.0 (51.0) million. Non-recurring items amounted to EUR -7.3 (-5.6) million.
- Operating result was EUR 32.7 (45.4) million and net result EUR 22.8 (7.7) million.
- Earnings per share (EPS) were EUR 0.44 (0.14).
- Operating cash flow was EUR 55.5 (57.8) million.
- The Board of Directors proposes to the AGM that EUR 0.30 (0.25) per share be paid to the shareholders as return of equity from the reserve for invested non-restricted equity.

KEY FIGURES (MEUR)	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	290.0	281.0	1,130.7	1,137.3
EBITDA (adj.*)	22.1	28.4	93.6	105.0
EBITDA margin, % (adj.*)	7.6	10.1	8.3	9.2
EBITDA	22.1	24.7	86.3	99.4
EBITDA margin, %	7.6	8.8	7.6	8.7
Operating result (adj.*)	8.5	14.4	40.0	51.0
Operating margin, % (adj.*)	2.9	5.1	3.5	4.5
Operating result	8.5	10.7	32.7	45.4
Operating margin, %	2.9	3.8	2.9	4.0
Net result	7.2	2.7	22.8	7.7
Earnings per share (EPS), EUR	0.14	0.05	0.44	0.14
Interest-bearing net debt	227.4	225.6	227.4	225.6

\* Adjusted for non-recurring items

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

### Comment from Munksjö's President and CEO, Jan Åström

“Munksjö's 2015 showed stable volume development in most of our product segments during a year with global macroeconomic uncertainty, which especially impacted our operations in Brazil. Our main markets remain in Europe, but growth in business area Decor compared to 2014 was mainly driven by our selective geographical expansion and the business area reached record high delivery volumes in the fourth quarter.

During 2015, the price difference between short and long fibre pulp reached historically low levels. We have been bridging the profitability gap resulting from the spread by implementing price increases in our two largest business areas. The implemented price increases had an expected full effect from the beginning of the fourth quarter, but they are on an annual basis not yet compensating for the total effect of the increased raw material costs. We will close the gap for the remaining volumes within the European paper business unit of Release Liners during the first quarter of 2016, as already negotiated terms take effect.

In the fourth quarter, we implemented longer shutdowns in particularly business area Graphics and Packaging and in the paper business unit in Brazil in order to reach our targeted inventory levels at the end of the year. The shutdowns had a negative result effect of approximately EUR 3 million in the quarter. The annual cash flow from operations remained stable.

Our performance during 2015 confirmed my view that our strategy enables sustainable growth and that we also going forward are able to strengthen our leading positions through our value added solutions. Our long-term market growth expectation remains intact at between 2-4 per cent annually, as the demand for several of the end-use applications of our product solutions is supported by global megatrends.

During 2016, we continue the efforts and actions to achieve our profitability target, an EBITDA margin of 12 per cent at the end of the year.“

## **▲ Outlook**

The demand outlook in 2016 for Munksjö's specialty paper products is expected to remain stable and reflect the seasonal pattern.

The price increases communicated in the second and third quarter of 2015 have had a full effect from the beginning of the fourth quarter of 2015, and the remaining increases in the European paper business unit of business area Release Liners have a full effect from the first quarter of 2016.

The EBITDA margin adjusted for non-recurring items in 2016 is expected to improve compared with 2015 driven by the on-going profitability improvement plan including increased operational efficiency, profitable growth, product and service quality leadership and utilising the position as a market and innovation leader.

The annual maintenance and vacation shutdowns in the second and third quarter as well as the seasonal shutdowns at the end of 2016 are expected to be carried out to about the same extent as in 2015. The next maintenance shut down at the pulp production facility in Aspa in Sweden will be carried out in the third quarter of 2016.

The cash flow effect of capital expenditure for fixed assets for 2016 is expected to be EUR 35-40 million.

## **▲ Webcast and conference call**

A combined news conference, conference call and live webcast will be arranged on the publishing day 11 February 2016 at 10:00 a.m. CET (11:00 a.m. EET, 9:00 a.m. GMT) at restaurant Savoy (Eteläesplanadi 14, 7th floor, Helsinki). The report will be presented by President and CEO Jan Åström. The event will be held in English.

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

### **Webcast and conference call information**

Finnish callers: +358 (0)9 6937 9543

Swedish callers: +46 (0)8 5033 6539

US callers: +1 646 254 3366

UK callers: +44 (0)20 3427 1904

Conference ID: 8871412

[Link to the webcast](#)


**The Munksjö Group**

MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	290.0	281.0	1,130.7	1,137.3
EBITDA (adj.*)	22.1	28.4	93.6	105.0
EBITDA margin, % (adj.*)	7.6	10.1	8.3	9.2
EBITDA	22.1	24.7	86.3	99.4
EBITDA margin, %	7.6	8.8	7.6	8.7
Operating result (adj.*)	8.5	14.4	40.0	51.0
Operating margin, % (adj.*)	2.9	5.1	3.5	4.5
Operating result	8.5	10.7	32.7	45.4
Operating margin, %	2.9	3.8	2.9	4.0
Net result	7.2	2.7	22.8	7.7
Capital expenditure	8.9	4.6	39.8	35.1
Employees, FTE	2,749	2,757	2,774	2,765

\* Adjusted for non-recurring items

#### Fourth quarter 2015

Net sales were EUR 290.0 (281.0) million.

EBITDA adjusted for non-recurring items decreased to EUR 22.1 (28.4) million and the adjusted EBITDA margin was 7.6% (10.1%). Currency hedge losses of EUR 0.2 (1.8) million were recorded in segment *Other* in the quarter.

The operating result adjusted for non-recurring items was EUR 8.5 (14.4) million. There were no non-recurring items in the reporting period.

The seasonal shutdowns at the end of 2015 were slightly longer on a Group level compared to the corresponding period last year, as the shutdowns were longer in the Business Area Graphics & Packaging and the paper business unit in Brazil of business area Release Liners. The prolonged shutdowns were carried out in accordance with the plan to reduce inventory levels in the fourth quarter of 2015 and resulted in a decrease in EBITDA of approximately EUR 3 million.

The operating result was EUR 8.5 (10.7) million and net result EUR 7.2 (2.7) million.

#### January–December 2015

Net sales were EUR 1,130.7 (1,137.3) million.

EBITDA adjusted for non-recurring items decreased to EUR 93.6 (105.0) million and the adjusted EBITDA margin was 8.3% (9.2%). A higher raw material cost level resulted in a decrease of EBITDA of EUR 26 million. This negative result effect was only partially compensated for by a positive effect of EUR 14 million as a result of increased sales prices. Sales prices were impacted by implemented price increases, a more favourable currency development, a different product mix and a lower sales price for long-fibre pulp (NBSK).

Currency hedge losses of EUR 4.9 (3.6) million were recorded in segment *Other* in the reporting period.

The operating result adjusted for non-recurring items was EUR 40.0 (51.0) million. Non-recurring items amounted to EUR -7.3 (-5.6) million and were related to the restructuring actions at the production facility located in Italy, which is part of Business Area Release Liners, other efforts to adjust the cost structure, other reorganization activities and environmental provisions.

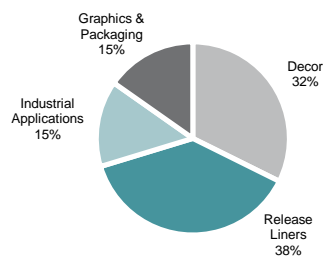
The planned annual maintenance and vacation shutdowns in the second and third quarter were carried out to the same extent as in 2014. The seasonal shutdowns at the end of 2015 were slightly longer on a Group level compared to the corresponding period last year, as the shutdowns were longer in the Business Area Graphics & Packaging and the paper business unit in Brazil of business area Release Liners.

The operating result was EUR 32.7 (45.4) million and net result EUR 22.8 (7.7) million. Earnings per share increased to EUR 0.44 (0.14).

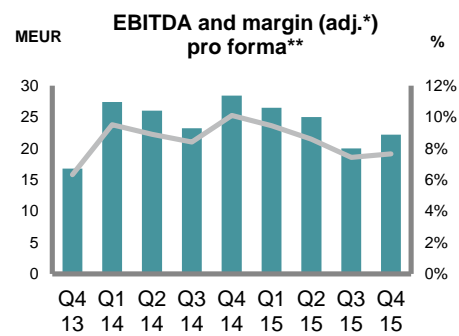
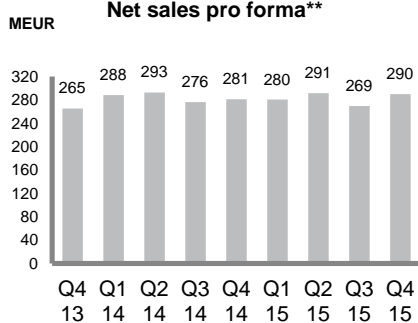
The currency hedge loss of EUR 4.9 (3.6) million recorded in EBITDA was more than compensated for by exchange gains on financial assets and liabilities of EUR 9.5 (losses of 0.9) million recorded in net financial items.

The market conditions and financial performance of the individual business areas in the fourth quarter and January–December 2015 are presented on the following pages.

**Net sales Jan-Dec 2015**



**Net sales pro forma\*\***



\* Adjusted for non-recurring items

\*\* From the first quarter 2014 the reported figure is used


**Business Area Decor**

MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	98.2	91.4	372.6	374.7
EBITDA (adj.*)	11.2	11.3	42.6	46.2
EBITDA margin, % (adj.*)	11.4	12.4	11.4	12.3
EBITDA	11.2	10.0	42.6	44.9
EBITDA margin, %	11.4	10.9	11.4	12.0
Operating result (adj.*)	9.0	9.0	34.6	37.1
Operating margin, % (adj.*)	9.2	9.8	9.3	9.9
Operating result	9.0	7.7	34.6	35.8
Operating margin, %	9.2	8.4	9.3	9.6
Capital expenditure	2.5	1.1	10.2	6.4
Delivery volumes, tonnes	48,300	44,300	183,400	180,300
Employees, FTE	842	864	855	877

\* Adjusted for non-recurring items

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

#### Fourth quarter 2015

Total delivery volumes were higher during the fourth quarter of 2015 compared to the corresponding period last year.

Net sales increased and reached EUR 98.2 (91.4) million. The price increases implemented since the second quarter of 2015 had a positive effect on the average price in the main markets in Europe, but the average price remained on the same level as during the corresponding period last year, due to a less favourable geographical mix and the selective price adjustments made during the fourth quarter of 2014.

EBITDA adjusted for non-recurring items was EUR 11.2 (11.3) million and the adjusted EBITDA margin was 11.4% (12.4%). The EBITDA was negatively affected by higher energy, raw material and logistic costs. The higher raw material costs were driven by the higher short fibre pulp (BHKP) price. The negative result effect was not compensated for by the positive effect of the higher delivery volumes.

The seasonal shutdowns at the end of 2015 were carried out to about the same extent as in 2014.

Operating result was EUR 9.0 (7.7) million and the operating margin 9.2% (8.4%).

#### January–December 2015

The volume development was positive during January–December 2015 compared to the corresponding period last year but the annual volume growth was at the lower end of the long-term expectations. During 2015, the business area focused on expanding its geographical mix, resulting in a higher share of sales from Asia-Pacific.

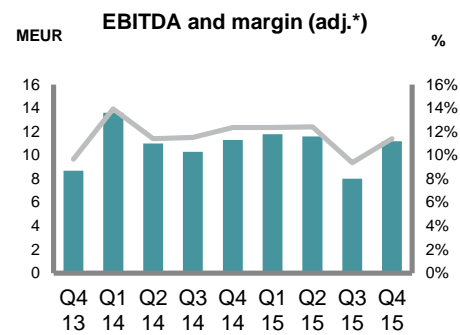
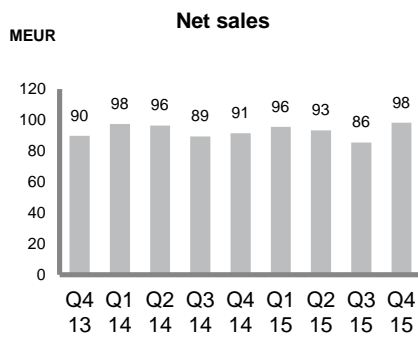
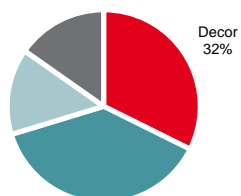
Net sales were EUR 372.6 (374.7) million. The price increases implemented since the second quarter of 2015 had a positive effect on the average price in the main markets in Europe, but the average price was lower mainly due to a less favourable geographical and product mix and the selective price adjustments made during the fourth quarter of 2014.

EBITDA adjusted for non-recurring items decreased to EUR 42.6 (46.2) million and the adjusted EBITDA margin was 11.4% (12.3%). The EBITDA was affected by the lower average price, which was not fully compensated for by the higher delivery volumes.

The planned annual maintenance and vacation shutdowns in the third quarter were carried out to the same extent as in 2014. The seasonal shutdowns at the end of 2015 were carried out to about the same extent as in 2014.

The operating result was EUR 34.6 (35.8) million and the operating margin 9.3% (9.6%).

## Net sales Jan-Dec 2015



\* Adjusted for non-recurring items

## Business Area Release Liners

MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	109.9	112.9	437.6	446.0
EBITDA (adj.*)	9.8	13.4	39.5	44.3
EBITDA margin, % (adj.*)	8.9	11.9	9.0	9.9
EBITDA	9.8	12.6	36.1	43.5
EBITDA margin, %	8.9	11.2	8.2	9.8
Operating result (adj.*)	2.9	6.7	11.4	16.1
Operating margin, % (adj.*)	2.6	5.9	2.6	3.6
Operating result	2.9	5.9	8.0	15.3
Operating margin, %	2.6	5.2	1.8	3.4
Capital expenditure	2.8	1.7	14.9	9.2
Delivery volumes, tonnes	127,100	128,700	498,700	512,200
Employees, FTE	846	860	859	845

\* Adjusted for non-recurring items

The products of Release Liners business area include release papers, coated specialties and pulp. Release papers are used as a carrier of different pressure sensitive adhesives labels and materials, which are mainly used in areas of, inter alia, retail and pricing labelling, for office labelling, and a broad range of self-adhesive tapes and materials for graphic or industrial applications. The business area incorporates specialty pulp and the Brazilian operation, Coated Specialties, which serves the South American market with self-adhesive products and flexible packaging paper.

### Fourth quarter 2015

Total delivery volumes for the business area decreased compared to the corresponding period last year. Delivery volumes were higher for the European paper business and the pulp business units. Delivery volumes for the Brazilian paper business unit were lower compared to the corresponding period last year, as the demand in the South American market was affected by the economic slowdown in Brazil.

Net sales were lower and reached EUR 109.9 (112.9) million. The average price measured in local currencies was higher than in the corresponding period for the European paper business and the Brazilian paper business. The favourable currency development and the implemented price increases in the European paper business had an expected positive effect on the average price of the business area, but did not compensate for the negative effect of the average sales price decline in the pulp business, driven by the lower long fibre pulp (NBSK) price. The price increases made in the Brazilian paper business did not compensate for the decrease in volumes and sales were adversely affected by the weakened Brazilian real compared to the corresponding period last year.

EBITDA adjusted for non-recurring items decreased to EUR 9.8 (13.4) million and the adjusted EBITDA margin was 8.9% (11.9%). The positive result effect of the implemented price increases did not compensate for the negative effect resulting from the lower delivery volumes in the paper business unit in Brazil and the declined price difference between long- and short-fibre pulp.

The seasonal shutdowns at the end of 2015 were carried out to the same extent as in 2014, with the exception of the paper business unit in Brazil, where the shutdowns were longer in order to reduce inventory levels.

Operating result was EUR 2.9 (5.9) million and the operating margin 2.6% (5.2%).

### January-December 2015

Total delivery volumes for the business area decreased, mainly as a result of lower volumes for the paper business unit in Brazil. The demand in the South American market was affected by the economic slowdown in Brazil.

Net sales were lower and reached EUR 437.6 (446.0) million mainly as a result of the lower delivery volumes. The average price measured in local currencies was higher than in the corresponding period for all three business units.

EBITDA adjusted for non-recurring items decreased to EUR 39.5 (44.4) million and the adjusted EBITDA margin was 9.0% (9.9%). The negative profitability development was mainly a result of a less favourable price difference between short and long fibre pulp, which was not fully compensated for by the higher average price for all three business units. The



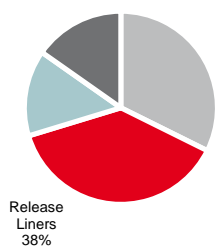
currency development during 2015 had a positive impact on the result of the pulp business unit and a negative impact on the result of the paper business units.

The planned annual maintenance and vacation shutdowns in the second and third quarter and the seasonal shutdowns at the end of 2015 were carried out to the same extent as in 2014. The result effect of the maintenance shut down at the pulp production facility in Aspa, Sweden in the second quarter of 2015, was approximately EUR -4 million.

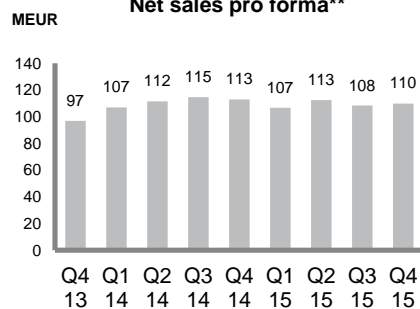
The operating result was EUR 8.0 (15.3) million and the operating margin 1.8% (3.4%).

During the third quarter Munksjö announced a plan to further adjust the cost structure and improve the operational efficiency of Business Area Release Liners. Additional information can be found under *Other issues*.

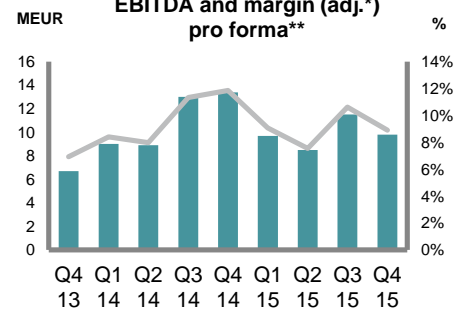
**Net sales Jan-Dec 2015**



**Net sales pro forma\*\***



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



\* Adjusted for non-recurring items

\*\* From the first quarter 2014 the reported figure is used

## Business Area Industrial Applications

MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	42.2	40.9	166.6	159.2
EBITDA (adj.*)	6.1	7.1	27.5	24.2
EBITDA margin, % (adj.*)	14.5	17.4	16.5	15.2
EBITDA	6.1	6.7	27.5	23.8
EBITDA margin, %	14.5	16.4	16.5	14.9
Operating result (adj.*)	4.1	5.3	19.6	16.7
Operating margin, % (adj.*)	9.7	13.0	11.8	10.5
Operating result	4.1	4.9	19.6	16.3
Operating margin, %	9.7	12.0	11.8	10.2
Capital expenditure	2.1	1.1	9.2	6.3
Delivery volumes, tonnes	21,700	20,700	85,100	84,000
Employees, FTE	574	555	574	556

\* Adjusted for non-recurring items.

The products of Industrial Applications include specialty papers for industrial use. Products include abrasive backings for the production of coated abrasive products to be used to sand or polish materials in many industrial sectors such as automotive, furniture, wood, metal and building and construction industries, electrotechnical paper for insulation of transformers, bushings and cables, Spantex™ used mainly in the furniture industry, thin paper for protection in the stainless steel, aluminium and glass industries and fine art paper used for, inter alia, watercolour painting and digital printing.

### Fourth quarter 2015

Total delivery volumes for the business area were higher compared to the corresponding period last year mainly driven by a higher demand for interleaving paper.

Net sales were higher and amounted to EUR 42.2 (40.9) million. The average price decreased mainly as a result the less favourable product mix.

EBITDA adjusted for non-recurring items decreased to EUR 6.1 (7.1) million and the adjusted EBITDA margin was 14.5% (17.4%). The negative development was mainly a result of the lower average price, which was not compensated for by the effect of the higher volumes.

The seasonal shutdowns at the end of 2015 were carried out to the same extent as in 2014.

Operating result was EUR 4.1 (4.9) million and the operating margin 9.7% (12.0%).

### January–December 2015

Total delivery volumes for the business area were stable compared to the corresponding period last year with flat demand development in most of the business area's product segments.

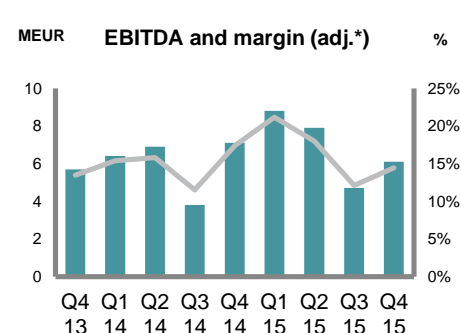
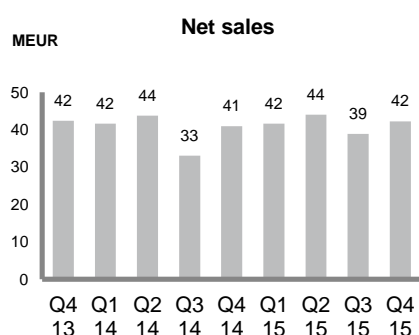
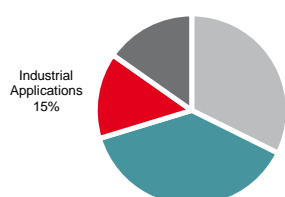
Net sales were higher and reached EUR 166.6 (159.2) million. The average price increased mainly as a result of the favourable currency development.

EBITDA adjusted for non-recurring items increased to EUR 27.5 (24.2) million and the adjusted EBITDA margin was 16.5% (15.2%). The positive development was a result of the higher average price, which more than compensated for the effect of the higher raw material costs.

The planned annual maintenance and vacation shutdowns in the third quarter and the seasonal shutdowns at the end of 2015 were carried out to the same extent as in 2014.

The operating result was EUR 19.6 (16.3) million and the operating margin 11.8% (10.2%).

Net sales Jan- Dec 2015



\* Adjusted for non-recurring items

## Business Area Graphics and Packaging

MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	43.3	40.7	175.7	172.8
EBITDA (adj.*)	-1.5	1.2	0.3	4.5
EBITDA margin, % (adj.*)	-3.5	2.9	0.2	2.6
EBITDA	-1.5	1.2	-0.2	4.5
EBITDA margin, %	-3.5	2.9	-0.1	2.6
Operating result (adj.*)	-3.6	-0.5	-7.9	-1.9
Operating margin, % (adj.*)	-8.3	-1.2	-4.5	-1.1
Operating result	-3.6	-0.5	-8.4	-1.9
Operating margin, %	-8.3	-1.2	-4.8	-1.1
Capital expenditure	1.2	0.7	3.0	9.3
Delivery volumes, tonnes	31,500	31,200	127,200	136,100
Employees, FTE	427	420	428	432

\* Adjusted for non-recurring items

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

### Fourth quarter 2015

Total delivery volumes were on the same level as in the corresponding period last year.

Net sales increased and reached EUR 43.3 (40.7) million as an effect of the higher average price. The average price increased mainly as a result the favourable currency development.

EBITDA adjusted for non-recurring items was EUR -1.5 (1.2) million and the adjusted EBITDA margin -3.5% (2.9%). The higher average price did not compensate for the negative effect as a result of increased raw material costs, driven by the higher short fibre pulp (BHKP) price, and the prolonged seasonal shutdowns in order to control inventory levels.

The seasonal shutdowns at the end of 2015 were, according to plan, prolonged compared to 2014 in order to control inventory levels.

Operating result was EUR -3.6 (-0.5) million and the operating margin -8.3% (-1.2%).

### January–December 2015

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

Net sales were higher and reached EUR 175.7 (172.8) million. The average price increased mainly as a result the favourable currency development, the continued adjustment of the product mix and price increases made during 2014.

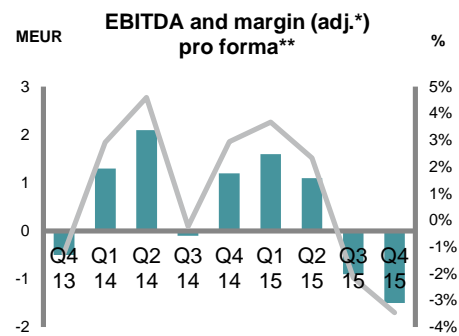
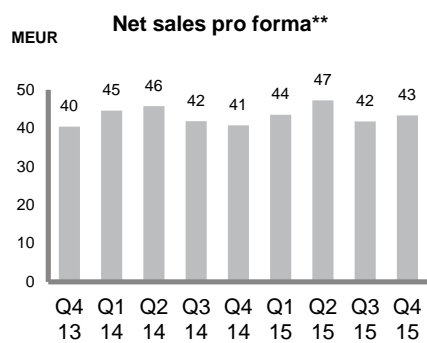
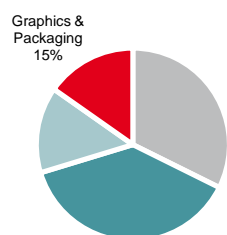
EBITDA adjusted for non-recurring items decreased to EUR 0.3 (4.5) million and the adjusted EBITDA margin was 0.2% (2.6%). The effect of the increased average price did not compensate for the effect of the lower volumes and increased raw material costs, driven by the higher short fibre pulp (BHKP) price.

The planned annual maintenance and vacation shutdowns in the second and third quarter were carried out to about the same extent as in 2014. The seasonal shutdowns at the end of 2015 were, according to plan, prolonged compared to 2014 in order to control inventory levels.

The operating result was EUR -8.4 (-1.9) million and the operating margin -4.8% (-1.1%).

The programme aiming at a substantial improvement in the financial result launched in the third quarter of 2013 is progressing according to plan, with the exception of the coated paper business, where the measures intended to strengthen the business area's competitiveness by adjusting the product mix are delayed due to the above described increased competition. The aim with the programme going forward is, as previously communicated, to achieve the business area's EBITDA target of 9-10 per cent at the end of 2016.

## Net sales Jan-Dec 2015



\* Adjusted for non-recurring items

\*\* From the first quarter 2014 the reported figure is used

## **M Balance sheet, financing, cash flow and taxes**

Munksjö has a EUR 345 million term loan and revolving credit facilities agreement, with a maturity of five years since September 2014, and a SEK 570 million term loan signed and implemented in December 2015, with a maturity of five years. The interest payable under both agreements depends on the ratio of consolidated net debt to consolidated EBITDA. At the end of the fourth quarter of 2015, the weighted average interest rate was approximately 2.7 per cent (end of the third quarter 2015: 2.4 per cent; end of the fourth quarter 2014: 2.7 per cent).

Interest-bearing net debt amounted to EUR 227.4 million at 31 December 2015 (30 September 2015: 264.1; 31 December 2014: 225.6) resulting in a net debt/equity ratio of 56.7% (30 September 2015: 68.1%; 31 December 2014: 54.5%). The decrease in working capital in the fourth quarter of 2015 had a positive impact on net debt.

Shareholders' equity at 31 December 2015 amounted to EUR 401.3 million (30 September 2015: 387.7; 31 December 2014: 413.6) and total assets decreased to EUR 1,173.4 million (30 September 2015: 1,136.5; 31 December 2014: 1,179.5). The most significant items affecting total equity were the profit for the period, the translation of subsidiary equity to euro mainly related to paper business unit in Brazil and the return of equity to shareholders.

### **Net financial items**

Net financial items for January-December 2015 amounted in total to EUR -4.7 (-28.5) million, of which EUR 9.9 (14.0) million is interest rate expenses, EUR 1.4 (1.9) million is other finance costs and the rest is mainly items not affecting the cash flow, including EUR 0.7 (9.0) million of amortisation of capitalised bank fees and foreign exchange gains on financial assets and liabilities of EUR 9.5 (-0.9) million. Of the amortised bank fees in 2014, EUR 7.1 million were expensed in connection with the re-financing made in September 2014. The net financial items for the period include realised interest rate swaps of EUR -0.7 (-0.3) million. At the end of the reporting period, the fair value of unrealised interest rate swaps amounted to EUR -1.8 (-1.2) million.

### **Hedging**

At the end of the reporting period the fair value of unrealised hedges excluding interest rate swaps amounted to EUR 0.5 (-3.1) million. The operating result for January-December 2015 includes realised hedges of EUR -5.5 (-4.2) million, mainly as a result of currency-related hedge losses. Munksjö had no outstanding pulp hedging contracts from 1 January 2015 onwards. Hedging activities are managed centrally and reported in segment 'Other'.

### **Cash flow**

The cash flow from operating activities in January-December 2015 amounted to EUR 55.5 (57.8) million and to EUR 44.5 (33.3) million in the fourth quarter of 2015. The strong cash flow in the last quarter of the year was mainly a result of the decrease in working capital. Net working capital remained stable compared to the end of last year. The operating cash flow in 2015 was affected by EUR 6.7 (16.2) million relating to the settlement of provisions recorded in previous periods and payments of EUR 13.4 (13.9) million of income taxes.

### **Capital expenditure**

The cash flow related to capital expenditure for January-December 2015 amounted to EUR -39.8 (-35.1) million. Munksjö's capital expenditure in 2015 was of operative nature and includes maintenance, cost improvement and efficiency improvement investments.

The largest investment in the reporting period was related to the maintenance shut down at the pulp production facility in Aspa, Sweden. Other investments included e.g. a new calender at the production facility in Dettingen in Germany to sustain Munksjö's quality leadership within decor paper and a new crepe machine at the production facility in Jönköping in Sweden in order to sustain Munksjö's leading market position within electrotechnical paper. The rest was mainly related to smaller investments for maintenance.

### **Taxes**

The income tax charge for the reporting period was EUR -5.2 (-9.2) million representing an effective rate of 18.6% (54.4%). The effective tax rate is the statutory corporate tax rate as adjusted for non-deductible expenses, income not subject to income tax and prior year adjustments. The lower effective tax rate in 2015 was mainly due to the reversal of valuation allowances on deferred tax assets related to tax losses. The effective rate in 2014 was affected by losses where no tax assets were recognised and prior period adjustments. The effective tax rate in 2015 excluding prior year adjustments and reversal of valuation allowance would have been approximately 29%.

Total cash taxes paid for the reporting period amounted to EUR 13.4 (13.9) million of which EUR 7.1 million is related to 2015 and the remainder to earlier years. The net current tax asset at 31 December 2015 amounted to EUR 2.6 (-6.0) million, which will be settled during 2016.

## **M Employees**

The average number of employees (FTE's) in the fourth quarter of 2015 was 2,749 (2,757). At the end of December 2015, Munksjö had 2,900 (2,905) employees. The total number of employees at the end of the reporting period is a net effect of redundancies resulting from the integration actions following the business combination after its completion in 2013, the

reorganisation of the sales organisation and new recruitments. New recruitments were made during 2015 with the aim to strengthen certain functions and to prepare for coming retirements.

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

### **Share-based incentive programmes**

In May 2014, the Board of Directors of Munksjö Oyj approved a long-term share-based incentive programme for Munksjö's senior executives and other key personnel. At the end of 2015, 35 senior executives and other key personnel had enrolled to the programme. Additional information related to the repurchase of own shares related to the share-based incentive programmes can be found under *Shares and shareholders*. The total cost for the programme will be recognised over the vesting period which commenced in July 2014 and ends on 31 December 2016. The personnel expense related to the incentive programme in January-December 2015 was EUR 0.9 (0.6) million.

### **Munksjö reorganised its sales organisation**

On 10 December 2014 Munksjö announced a plan to simplify its sales organisation by reorganising certain sales functions. The reorganisation was subject to consultation and approval processes in accordance with local legislation in the countries affected. The overall model is one customer service hub per Business Area in Europe, and Group sales offices in Brazil, China, the US and Russia. By moving customer service closer to supply and planning, pooling resources and avoiding sales office costs, Munksjö improves profitability and made the supply chain process more efficient.

The consultation and approval processes have now been completed and the reorganisation and its implementation is continuing according to plan. The annual savings will amount to the expected EUR 1-1.5 million, of which a majority were realised during 2015. The remaining cost savings will be achieved gradually during 2016.

### **▲ Product development**

Munksjö's four business areas are responsible for their respective product development. Most of this work is carried out in the development centre in Apprieu in France, with full focus on meeting customer requirements for functionality and quality. The development projects are initiated and implemented in collaboration with clients, but also in the context of Munksjö's own product development. At the end of 2015, Munksjö introduced a target for the share of new products of net sales. The share should be at least 15 per cent and the target is calculated as an average over the last three years.

### **▲ Risks and uncertainty factors**

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

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

More information about risks and uncertainty factors related to Munksjö's business and the company's risk management is published in the Annual report and on [www.munksjo.com](http://www.munksjo.com).

### **▲ Shares and shareholders**

The Munksjö Oyj share is traded on Nasdaq Helsinki, Finland under the trading symbol MUNK1 and as of 8 December 2014 also on Nasdaq Stockholm under the trading symbol MUNK1S. The share capital amounts to EUR 15,000,000 and the total number of shares as of 2 December 2013 amounts to 51,061,581. All shares carry one vote each and have equal rights. On 31 December 2015, Munksjö held 300,000 own shares, corresponding to about 0.6 per cent of the total number of shares and votes. In 2014, Munksjö did not hold any own shares.

### **Decisions taken by the Annual General Meeting and the organisation meeting of the Board of Directors**

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

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

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

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

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

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

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

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

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

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

#### **Share development and shareholders**

During the reporting period January-December 2015, that consisted of 251 (250) trading days, the trading volume on Nasdaq Helsinki was 15,721,775 (24,551,000) shares, equivalent to a turnover of EUR 147,080,437 (167,525,209). The daily average trading volume during the reporting period was 62,637 (98,204) shares and the volume-weighted average share price was EUR 9.18 (6.92). The highest share price in the reporting period was EUR 12.49 (9.03) and the lowest EUR 7.42 (5.11). On the last trading day of the reported trading period, 30 December 2015, the share price was EUR 8.60 (30 December 2014: 8.95) and the corresponding market capitalisation was EUR 436.5 million (30 December 2014: 457.0). The market capitalisation in 2015 is adjusted with the shares held by the company at the end of the reporting period. In 2014, Munksjö did not hold any own shares.

The trading in Munksjö Oyj shares on Nasdaq Stockholm commenced on 8 December 2014 and hence the comparative figure only comprises 14 trading days. During the reporting period January-December 2015, that consisted of 251 trading days, the trading volume on Nasdaq Stockholm was 4,078,078 (1,229,597) shares, equivalent to a turnover of SEK 355,603,131 (95,620,490). The daily average trading volume in the reported period was 16,247 (87,828) shares and the volume-weighted average share price was SEK 87.18 (77.77). The highest share price in the reporting period was SEK 119.00 (86.25) and the lowest SEK 70.25 (76.25). On the last trading day of the reported trading period, 30 December 2015, the share price was SEK 84.25 (30 December 2014: 85.50).

At the end of December 2015, Munksjö had 10,548 (11,258) shareholders in the register maintained by Euroclear Finland Ltd. The share turnover during the reporting period for both exchanges was 39.0 (50.5) per cent of the total amount of shares. Munksjö's share is also traded on alternative exchanges, such as BATS Chi-X, however the trading volume on these alternative exchanges during the reporting period was marginal.

#### **Flagging notifications**

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

#### *Change in the holding of Lannebo Fonder AB*

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

### *Change in the holding of Ahlstrom Corporation*

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

### **Shareholder's Nomination Board appointed**

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

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

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

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

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

The Nomination Board prepares proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board committees and the Nomination Board. Additional information can be found under "*Events after the end of the reporting period*".

### **▲ The Board of Director's proposal to pay dividend**

There are no distributable retained earnings in the balance sheet of Munksjö Oyj as per 31 December 2015 and the Board of Directors proposes that no dividend will be paid for the fiscal year 2015.

Instead the Board of Directors proposes that the AGM would decide to pay funds from the reserve for invested non-restricted equity as return of equity based on the balance of 31 December 2015 adopted by the AGM, the amount of return being EUR 0.30 per share. The return of equity shall be paid to a shareholder who on the record date of the payment 8 April 2016 is registered in the shareholders' register of the company held by Euroclear Finland Ltd or in the separate register of shareholders maintained by Euroclear Sweden AB for Euroclear Sweden AB registered shares. The return of equity payable for Euroclear Sweden AB registered shares will be forwarded by Euroclear Sweden AB. The Board proposes that the return of equity shall be paid to the shareholders on 19 April 2016.

### **▲ Annual General Meeting 2016**

The company's Annual General Meeting will be held on Wednesday, 6 April 2016 at 1 p.m. EET at the Finlandia Hall in Helsinki. The notice to convene the Annual General Meeting is given as a separate stock exchange release.

### **▲ Other issues**

Munksjö operates in several countries and from time-to-time disputes arise in the course of day-to-day operations. Munksjö is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted and taking into account all available information to date the outcome is not expected to have a significant impact on the financial position of the company.

### **Munksjö further adjusts the cost structure**

In September 2015 Munksjö announced a plan to further adjust its cost structure. The plan includes restructuring actions that required personnel negotiations at the production facility located in Mathi, close to Turin in Italy. With the restructuring,



Munksjö aims to further adjust the cost structure and improve the operational efficiency of Business Area Release Liners. The production facility in Mathi is a shared site with Ahlstrom Corporation.

The restructuring was subject to consultation and approval processes in accordance with local legislation. This process has now been concluded and the headcount reduction related to the restructuring project will be 37 employees. Munksjö currently has around 270 employees in Italy.

The expected annual cost savings of the restructuring amount to approximately EUR 2.0-2.5 million and Munksjö expects to attain the full profitability effect of the planned cost savings gradually during 2016.

#### **Appointments and changes in the Management Team**

On 9 February 2015, Munksjö announced that Pia Aaltonen-Forsell had been appointed Chief Financial Officer (CFO) and member of Munksjö's Management Team. She joined Munksjö on 1 April 2015 and reports to President and CEO Jan Åström.

On 30 March 2015, Munksjö announced that Norbert Mix had been appointed President Business Area Decor as of 1 July 2015. He continues to report to President and CEO Jan Åström. Christian Mandl (b. 1949), Business Area Manager Manufacturing Decor and member of the Management Team, retired as planned on 1 July 2015.

On 15 June 2015, Munksjö announced that Åsa Fredriksson, Senior Vice President Human Resources and Communications, would continue her career outside the company. She left Munksjö at the end of September 2015. On 22 July 2015, Munksjö announced that Åsa Jackson had been appointed Senior Vice President Human Resources (SVP HR) and member of Munksjö's Management Team. Åsa Jackson joined Munksjö on 31 October 2015, and she reports to Jan Åström, President and CEO.

On 1 September 2015 Munksjö announced that Anders Hildeman had been appointed Senior Vice President Sustainability and member of Munksjö's Management Team. He assumed his position on 1 September 2015 and reports to Jan Åström, President and CEO.

On 9 September 2015 Munksjö announced that Anna Selberg had been appointed Senior Vice President Communications and member of Munksjö's Management Team. She assumed her position on 1 October 2015 and reports to Jan Åström, President and CEO.

Munksjö is organised in four business areas: Decor, Release Liners, Industrial Applications and Graphics and Packaging. In addition there are seven group functions: Finance, Communications, Strategic Development, Human Resources, Legal, Sustainability and Sales Offices. Munksjö's management Team has eleven members;

Jan Åström	President and CEO
Pia Aaltonen-Forsell	Chief Financial Officer
Gustav Adlercreutz	Senior Vice President and General Counsel
Anna Bergquist	Senior Vice President Strategic Development
Anders Hildeman	Senior Vice President Sustainability
Anna Selberg	Senior Vice President Communications
Åsa Jackson	Senior Vice President Human Resources
Dan Adrianzon	President Industrial Applications
Daniele Borlatto	Executive Vice President and President Release Liners
Norbert Mix	President Decor
Roland Le Cardie	President Graphics and Packaging.

#### **▲ Strategy and financial targets**

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

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

Munksjö has three financial goals;

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

#### **▲ Capital Markets Day 2015**

Munksjö hosted a Capital Markets Day in Stockholm on 26 November 2015. The event provided further information about Munksjö's strategy, profitability improvement measures and growth drivers.

Munksjö's ambition is to further grow the business over the coming years both organically and strategically. The focused strategy enables strong market positions and Munksjö strengthens these positions through sustainable value added solutions. The target to reach the EBITDA margin of 12 per cent at the end of 2016 remained unchanged.

The drivers for the profitability improvement remained unchanged and include increased operational efficiency, profitable growth, product and service quality leadership and utilising the position as a market and innovation leader. Within operational efficiency, the majority of the planned actions include measures to adjust our cost structure.

The EBITDA targets per business area are; 15-16 per cent for Decor, 12-13 per cent for Release Liners, 15-16 per cent for Industrial Applications and 9-10 per cent for Graphics and Packaging.

## **Events after the end of the reporting period**

### **Proposals of the Shareholders' Nomination Board to the Annual General Meeting 2016**

The Nomination Board on 26 January 2016 submitted the following proposals to the Annual General Meeting 2016:

#### **Proposal on the composition of the Board of Directors**

The number of Board members shall increase by one and shall be confirmed at seven (7). Current members of the Board of Directors; Peter Seligson (b. 1964), Sebastian Bondestam (b. 1962), Elisabet Salander Björklund (b. 1958), Hannele Jakosuo-Jansson (b. 1966) and Alexander Ehrnrooth (b.1974) shall be re-elected. Anna Ohlsson-Leijon and Mats Lindstrand shall be elected as new members of the Board of Directors. Fredrik Cappelen, current member of the Board, has informed the Nomination Board that he is not available for re-election.

The proposed members of the Board of Directors have indicated that they, if elected, will elect Peter Seligson as the Chairman of the Board and Elisabet Salander Björklund as the Deputy Chairman of the Board.

Ms. Anna Ohlsson-Leijon (b. 1968), Swedish citizen, B.Sc. (Bus. Adm.) joined Electrolux AB in 2001 and is currently CFO in the Business Area Major Appliances, EMEA. Her previous positions within the company include SVP, Head of Corporate Control & Services and SVP, Group Treasurer. Ms. Ohlsson-Leijon has held and currently holds positions of trust. She is Deputy Chairman of the Board of Directors of SEB Investment Management AB. Ms. Ohlsson-Leijon is independent of the company and its significant shareholders.

Mr. Mats Lindstrand (b. 1959), Swedish citizen, M.Sc. (Civil Engineering) and MBA, is currently the Managing Partner at BioMass Capital AB. Mr Lindstrand holds several positions of trust, he is the Chairman of the Board in both Sensec AB and FRISQ AB, a member of the Board of Directors at Papyrus AB, Sirva Inc. and Erik Andersson AB. He is also senior advisor at McKinsey&Company and Triton Advisers Ltd. Mr. Lindstrand is independent of the company and its significant shareholders.

The CV's of the current members of the Board of Directors are available at [www.munksjo.com](http://www.munksjo.com).

#### **Proposal to amend the Charter of the Nomination Board following the new Corporate Governance Code**

The Nomination Board will also make a proposal to the Annual General Meeting, which will be included in the notice to the Annual General Meeting, regarding some amendments to its Charter mainly resulting from the entry into force of the new Finnish Corporate Governance Code on 1 January 2016. Also some amendments of a mainly technical nature will be proposed.

#### **Proposal on the remuneration of the members of the Board of Directors, the Board committees and the Nomination Board**

The annual remuneration of the Board of Directors shall remain unchanged with the exception of the Deputy Chairman. The Chairman shall receive EUR 80,000 a year, the Deputy Chairman 50,000 EUR and the ordinary members EUR 40,000 each.

The annual remuneration of the Board committees shall remain unchanged. The chairman of the Audit Committee shall annually receive EUR 12,000 and the ordinary members EUR 6,000 each. The chairman of the Remuneration Committee shall annually receive EUR 6,000 and the ordinary members EUR 3,000 each.

The chairman of the Nomination Board shall annually receive EUR 6,000 and the ordinary members EUR 3,000 each.

Travel expenses are proposed to be reimbursed in accordance with the company's travel policy.

Stockholm, 11 February 2016

**Board of Directors**

## **For further information, please contact**

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

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

## Future financial reports

For the year 2016, Munksjö will publish its financial reports as follows:

January-March 2016	Wednesday, 27 April 2016
January-June 2016	Wednesday, 27 July 2016
January-September 2016	Wednesday, 26 October 2016
Financial Statements Bulletin for 2016	Thursday, 16 February 2017

The Annual Report 2015 will be published in electronic format at [www.munksjo.com](http://www.munksjo.com) during week 10/2016.

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

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

### **Made by Munksjö - Intelligent paper technology**

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

## Interim financial statements (unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME MEUR	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	290.0	281.0	1,130.7	1,137.3
Other operating income	3.4	2.9	11.6	11.4
<b>Total operating income</b>	<b>293.4</b>	<b>283.9</b>	<b>1,142.3</b>	<b>1,148.7</b>
<b>Operating costs</b>				
Changes in inventories	-16.7	-0.3	1.0	1.1
Materials and supplies	-136.2	-137.6	-573.9	-557.2
Other external costs	-67.5	-71.3	-283.6	-292.7
Personnel costs	-50.7	-50.0	-199.5	-200.5
Depreciation and amortisation	-13.6	-14.0	-53.6	-54.0
<b>Total operating costs</b>	<b>-284.7</b>	<b>-273.2</b>	<b>-1,109.6</b>	<b>-1,103.3</b>
Share of profit in equity accounted investments	-0.2	0.0	0.0	0.0
<b>Operating result</b>	<b>8.5</b>	<b>10.7</b>	<b>32.7</b>	<b>45.4</b>
Net financial items	-2.6	-7.5	-4.7	-28.5
<b>Profit before tax</b>	<b>5.9</b>	<b>3.2</b>	<b>28.0</b>	<b>16.9</b>
Taxes	1.3	-0.5	-5.2	-9.2
<b>Net profit</b>	<b>7.2</b>	<b>2.7</b>	<b>22.8</b>	<b>7.7</b>
<b>Other comprehensive income</b>				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations for the period	4.9	-4.5	-22.3	-5.7
Change in cash flow hedge reserve	0.5	-2.9	-3.2	-7.3
Cash flow hedge transferred to this year's result	0.5	2.1	6.2	4.5
Items that will not be reclassified to profit or loss				
Actuarial gains and losses on defined benefit plans	1.0	-6.3	1.0	-6.3
Tax attributable to other comprehensive income	-0.6	1.6	-1.0	2.1
<b>Comprehensive income</b>	<b>13.5</b>	<b>-7.3</b>	<b>3.5</b>	<b>-5.0</b>
<b>Net result attributable to:</b>				
Parent company's shareholders	7.0	2.4	22.4	7.0
Non-controlling interests	0.2	0.3	0.4	0.7
<b>Comprehensive income attributable to:</b>				
Parent company's shareholders	13.3	-7.6	3.1	-5.7
Non-controlling interests	0.2	0.3	0.4	0.7
<i>Average number of outstanding shares*</i>	50,761,581	51,061,581	50,818,260	51,061,581
Basic earnings per share, EUR	0.14	0.05	0.44	0.14
Diluted earnings per share, EUR	0.14	0.05	0.44	0.14

\* As adjusted for treasury shares

<b>CONDENSED STATEMENT OF FINANCIAL POSITION</b>		
<b>MEUR</b>	<b>31 Dec</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	430.0	446.4
Goodwill	223.9	226.7
Other intangible assets	46.6	55.2
Equity accounted investments	2.3	2.2
Other non-current assets	3.6	3.9
Deferred tax assets	51.8	60.2
<b>Total non-current assets</b>	<b>758.2</b>	<b>794.6</b>
<b>Current assets</b>		
Inventory	155.4	152.2
Accounts receivable	111.1	114.6
Other current assets	38.3	31.8
Current tax assets	5.3	2.2
Cash and cash equivalents	105.1	84.1
<b>Total current assets</b>	<b>415.2</b>	<b>384.9</b>
<b>TOTAL ASSETS</b>	<b>1,173.4</b>	<b>1,179.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>401.3</b>	<b>413.6</b>
<b>Non-current liabilities</b>		
Non-current borrowings	313.5	271.7
Other non-current liabilities	1.7	1.0
Pension obligations	52.4	51.0
Deferred tax liabilities	74.1	84.7
Provisions	23.9	23.5
<b>Total non-current liabilities</b>	<b>465.6</b>	<b>431.9</b>
<b>Current liabilities</b>		
Current borrowings	22.5	41.6
Accounts payable	165.9	164.3
Liabilities to equity accounted investments	8.0	8.3
Accrued expenses and deferred income	94.5	100.0
Current tax liabilities	2.7	8.2
Other current liabilities and provisions	12.9	11.6
<b>Total current liabilities</b>	<b>306.5</b>	<b>334.0</b>
<b>Total liabilities</b>	<b>772.1</b>	<b>765.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,173.4</b>	<b>1,179.5</b>

<b>CONDENSED STATEMENT OF CHANGES IN EQUITY</b>									
<b>MEUR</b>	<b>Share capital</b>	<b>Reserve for invested unrestricted equity</b>	<b>Other reserves</b>	<b>Treasury shares</b>	<b>Cumulative translation adjustment</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Balance at 1 Jan 2014</b>	<b>15.0</b>	<b>287.1</b>	<b>387.3</b>	<b>0.0</b>	<b>7.1</b>	<b>-276.3</b>	<b>420.2</b>	<b>3.6</b>	<b>423.8</b>
Result for the period	-	-	-	-	-	7.0	7.0	0.7	7.7
Other comprehensive income	-	-	-2.2	-	-5.7	-4.8	-12.7	-	-12.7
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.2</b>	<b>0.0</b>	<b>-5.7</b>	<b>2.2</b>	<b>-5.7</b>	<b>0.7</b>	<b>-5.0</b>
Return of capital and dividends	-	-5.1	-	-	-	-	-5.1	-0.3	-5.4
Employee share incentive plan	-	-	-	-	-	0.2	0.2	-	0.2
<b>Balance at 31 December 2014</b>	<b>15.0</b>	<b>282.0</b>	<b>385.1</b>	<b>0.0</b>	<b>1.4</b>	<b>-273.9</b>	<b>409.6</b>	<b>4.0</b>	<b>413.6</b>
Result for the period	-	-	-	-	-	22.4	22.4	0.4	22.8
Other comprehensive income	-	-	2.4	-	-22.3	0.6	-19.3	-	-19.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>2.4</b>	<b>0.0</b>	<b>-22.3</b>	<b>23.0</b>	<b>3.1</b>	<b>0.4</b>	<b>3.5</b>
Purchase of Munksjö Oyj shares	-	-	-	-3.1	-	-	-3.1	-	-3.1
Return of capital and dividends	-	-12.7	-	-	-	-	-12.7	-0.3	-13.0
Employee share incentive plan	-	-	-	-	-	0.3	0.3	-	0.3
<b>Balance at 31 December 2015</b>	<b>15.0</b>	<b>269.3</b>	<b>387.5</b>	<b>-3.1</b>	<b>-20.9</b>	<b>-250.6</b>	<b>397.2</b>	<b>4.1</b>	<b>401.3</b>

<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b>				
<b>MEUR</b>	<b>Oct-Dec</b>		<b>Jan-Dec</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Operating profit	8.5	10.7	32.7	45.4
Depreciation	13.6	14.0	53.6	54.0
Income taxes paid	-1.7	-6.0	-13.4	-13.9
Interest paid and received	-2.9	-1.3	-11.6	-17.0
<b>Cash flow from operating activities before change in working capital</b>	<b>17.5</b>	<b>17.4</b>	<b>61.3</b>	<b>68.5</b>
Change in inventories	16.0	3.7	-3.2	-5.6
Change in operating liabilities	8.5	2.5	0.1	-14.9
Change in operating receivables	2.5	9.7	-2.7	9.8
<b>Cash generated from operating activities</b>	<b>44.5</b>	<b>33.3</b>	<b>55.5</b>	<b>57.8</b>
Purchase of intangible assets	-0.2	-0.2	-0.5	-2.0
Purchase of tangible assets	-8.7	-11.1	-39.3	-33.1
<b>Cash flow used in investing activities</b>	<b>-8.9</b>	<b>-11.3</b>	<b>-39.8</b>	<b>-35.1</b>
Return of equity and dividends	0.0	-	-13.0	-5.4
Purchase of own shares	0.0	-	-3.1	-
Proceeds from borrowings, net of costs	41.1	0.2	61.1	291.8
Repayment of borrowings	-20.8	-0.7	-39.0	-307.4
<b>Cash flow from financing activities</b>	<b>20.3</b>	<b>-0.5</b>	<b>6.0</b>	<b>-21.0</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>55.9</b>	<b>21.5</b>	<b>21.7</b>	<b>1.7</b>
Cash and cash equivalents at the beginning of the period	47.8	65.5	84.1	83.1
Currency effects on cash and cash equivalents	1.4	-2.9	-0.7	-0.7
<b>Cash and cash equivalents at the end of the period</b>	<b>105.1</b>	<b>84.1</b>	<b>105.1</b>	<b>84.1</b>

## ▲ Notes to the interim financial statements

### Accounting principles

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

SEGMENT INFORMATION 2015						
Jan-Dec 2015						
MEUR	décor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	369.1	428	164.8	173.6	-4.8	1,130.7
Net sales, internal	3.5	9.6	1.8	2.1	-17.0	0
<b>Net sales</b>	<b>372.6</b>	<b>437.6</b>	<b>166.6</b>	<b>175.7</b>	<b>-21.8</b>	<b>1,130.7</b>
<b>Operating result</b>	<b>34.6</b>	<b>8.0</b>	<b>19.6</b>	<b>-10.8</b>	<b>-18.7</b>	<b>32.7</b>
Operating margin, %	9.3%	1.8%	11.8%	-6.1%		2.9%
Net financial items						-4.7
Taxes						-5.2
<b>Net result</b>						<b>22.8</b>
<b>Other information</b>						
Capital expenditure	10.2	14.9	9.2	3.0	2.5	39.8
Return on operating capital, % (adjusted)	20.4%	5.0%	30.3%	-19.7%		5.9%
Depreciation	8.0	28.1	7.9	8.2	1.4	53.6
Employees, FTE	855	859	574	428	58	2,774

SEGMENT INFORMATION 2014						
Jan-Dec 2014						
MEUR	décor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	373.8	437.2	157.0	172.8	-3.5	1,137.3
Net sales, internal	0.9	8.8	2.2	0.0	-11.9	0.0
<b>Net sales</b>	<b>374.7</b>	<b>446.0</b>	<b>159.2</b>	<b>172.8</b>	<b>-15.4</b>	<b>1,137.3</b>
<b>Operating result</b>	<b>35.8</b>	<b>15.3</b>	<b>16.3</b>	<b>-1.9</b>	<b>-20.1</b>	<b>45.4</b>
Operating margin, %	9.6%	3.4%	10.2%	-1.1%		4.0%
Net financial items						-28.5
Taxes						-9.2
<b>Net result</b>						<b>7.7</b>
<b>Other information</b>						
Capital Expenditure	6.4	9.2	6.3	9.3	3.9	35.1
Return on operating capital, % (adjusted)	21.7%	6.4%	31.0%	-5.2%		7.3%
Depreciation	9.1	28.2	7.5	6.4	2.8	54.0
Employees, FTE	877	845	556	432	55	2,765



SEGMENT FINANCIAL INFORMATION PER QUARTER												
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2015	2015	2015	2015	2014	2014	2014	2014	2013	2013	2013	2013
<b>Net sales, MEUR</b>												
Decor	98.2	85.5	93.4	95.5	91.4	89.4	96.4	97.5	89.9	86.8	95.5	96.0
Release Liners	109.9	108.3	112.6	106.8	112.9	114.7	111.5	106.9	87.3	85.3	53.1	23.4
Industrial Applications	42.2	38.8	44.0	41.6	40.9	33.0	43.7	41.6	42.3	35.6	42.1	38.0
Graphics and Packaging	43.3	41.7	47.2	43.5	40.7	41.8	45.7	44.6	40.4	41.2	20.8	-
Other and eliminations	-3.6	-5.0	-6.0	-7.2	-4.9	-3.0	-4.8	-2.7	-4.2	-3.8	-3.5	-2.9
<b>Group</b>	<b>290.0</b>	<b>269.3</b>	<b>291.2</b>	<b>280.2</b>	<b>281.0</b>	<b>275.9</b>	<b>292.5</b>	<b>287.9</b>	<b>255.7</b>	<b>245.1</b>	<b>208.0</b>	<b>154.5</b>
<b>EBITDA (adj.*), MEUR</b>												
Decor	11.2	8.0	11.6	11.8	11.3	10.3	11.0	13.6	8.7	6.0	9.4	9.6
Release Liners	9.8	11.5	8.5	9.7	13.4	13.0	8.9	9.0	5.9	6.0	4.0	-0.2
Industrial Applications	6.1	4.7	7.9	8.8	7.1	3.8	6.9	6.4	5.7	1.7	5.0	3.7
Graphics and Packaging	-1.5	-0.9	1.1	1.6	1.2	-0.1	2.1	1.3	-0.5	-1.3	0.3	-
Other and eliminations	-3.5	-3.3	-4.1	-5.4	-4.6	-3.8	-2.9	-2.9	-3.8	-1.4	-2.2	-1.6
<b>Group</b>	<b>22.1</b>	<b>20.0</b>	<b>25.0</b>	<b>26.5</b>	<b>28.4</b>	<b>23.2</b>	<b>26.0</b>	<b>27.4</b>	<b>16.0</b>	<b>11.0</b>	<b>16.5</b>	<b>11.5</b>
<b>EBITDA, MEUR</b>												
Decor	11.2	8.0	11.6	11.8	10.0	10.3	11.0	13.6	2.1	5.5	9.4	9.3
Release Liners	9.8	8.1	8.5	9.7	12.6	13.0	8.9	9.0	4.2	5.8	3.0	-0.2
Industrial Applications	6.1	4.7	7.9	8.8	6.7	3.8	6.9	6.4	4.9	1.7	4.5	3.7
Graphics and Packaging	-1.5	-1.4	1.1	1.6	1.2	-0.1	2.1	1.3	-6.0	-2.2	-0.8	-
Other and eliminations	-3.5	-4.3	-6.5	-5.4	-5.8	-4.1	-3.5	-3.9	-5.8	-1.7	-27.3	-4.2
<b>Group</b>	<b>22.1</b>	<b>15.1</b>	<b>22.6</b>	<b>26.5</b>	<b>24.7</b>	<b>22.9</b>	<b>25.4</b>	<b>26.4</b>	<b>-0.6</b>	<b>9.1</b>	<b>-11.1</b>	<b>8.5</b>
<b>Operating result (adj.*), MEUR</b>												
Decor	9.0	6.0	9.7	9.9	9.0	8.1	9.2	10.8	4.6	3.5	6.8	7.0
Release Liners	2.9	4.7	1.3	2.5	6.7	5.8	1.8	1.8	0.3	1.0	1.1	-2.0
Industrial Applications	4.1	2.7	5.9	6.9	5.3	1.8	5.1	4.5	3.9	-0.2	3.1	1.8
Graphics and Packaging	-3.6	-3.0	-1.0	-0.3	-0.5	-1.7	0.4	-0.1	-2.1	-2.7	-0.3	-
Other and eliminations	-3.9	-3.6	-4.4	-5.8	-6.1	-4.5	-3.1	-3.3	-4.1	-1.8	-2.4	-1.8
<b>Group</b>	<b>8.5</b>	<b>6.8</b>	<b>11.5</b>	<b>13.2</b>	<b>14.4</b>	<b>9.5</b>	<b>13.4</b>	<b>13.7</b>	<b>2.6</b>	<b>-0.2</b>	<b>8.3</b>	<b>5.0</b>
<b>Operating result, MEUR</b>												
Decor	9.0	6.0	9.7	9.9	7.7	8.1	9.2	10.8	-2.0	3.0	6.8	6.7
Release Liners	2.9	1.3	1.3	2.5	5.9	5.8	1.8	1.8	-1.4	0.8	0.1	-2.0
Industrial Applications	4.1	2.7	5.9	6.9	4.9	1.8	5.1	4.5	3.1	-0.2	2.6	1.8
Graphics and Packaging	-3.6	-3.5	-1.0	-0.3	-0.5	-1.7	0.4	-0.1	-7.6	-3.6	-1.4	-
Other and eliminations	-3.9	-4.6	-6.8	-5.8	-7.3	-4.8	-3.7	-4.3	-6.1	-2.1	-27.4	-4.5
<b>Group</b>	<b>8.5</b>	<b>1.9</b>	<b>9.1</b>	<b>13.2</b>	<b>10.7</b>	<b>9.2</b>	<b>12.8</b>	<b>12.7</b>	<b>-14.0</b>	<b>-2.1</b>	<b>-19.3</b>	<b>2.0</b>
<b>Delivered volume, metric tonnes</b>												
Decor	48,300	42,100	46,200	46,800	44,300	43,300	46,100	46,600	42,800	41,500	45,900	44,600
Release Liners	127,100	125,900	127,500	118,200	128,700	131,500	127,500	124,500	100,100	101,900	67,000	44,500
Industrial Applications	21,700	19,500	22,700	21,200	20,700	18,900	21,600	22,800	20,900	18,500	21,800	20,300
Graphics and Packaging	31,500	30,300	34,000	31,400	31,200	32,600	36,600	35,700	32,700	33,600	17,400	-
Other and eliminations	-2,900	-3,300	-3,900	-4,600	-3,300	-2,500	-3,400	-4,000	-4,100	-3,000	-3,900	-3,100
<b>Group</b>	<b>225,700</b>	<b>214,500</b>	<b>226,500</b>	<b>213,000</b>	<b>221,600</b>	<b>223,800</b>	<b>228,400</b>	<b>225,600</b>	<b>192,400</b>	<b>192,500</b>	<b>148,200</b>	<b>106,300</b>

\* Adjusted for non-recurring items

CONSOLIDATED KEY RATIOS	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
<i>Margins (adjusted)</i>				
EBITDA margin, %	7.7%	10.1%	8.3%	9.2%
Operating margin, %	2.9%	5.1%	3.5%	4.5%
<i>Return (12 months continuous)</i>				
Return on operating capital, % (adjusted)	5.9%	7.3%	5.9%	7.3%
Return on shareholders' equity, %	5.7%	1.8%	5.7%	1.8%
<i>Capital structure at period's end</i>				
Operating capital, MEUR	651.9	673.2	651.9	673.2
Shareholders' equity, MEUR	401.3	413.6	401.3	413.6
Interest-bearing net debt, MEUR	227.4	225.6	227.4	225.6
Debt/equity ratio, %	56.7%	54.5%	56.7%	54.5%
Equity/assets ratio, %	34.2%	35.1%	34.2%	35.1%
<i>Per share (before and after dilution)</i>				
Earnings per share, EUR	0.14	0.05	0.44	0.14
Shareholders' equity per share, EUR	7.9	8.1	7.9	8.1
Average number of shares	50,761,581	51,061,581	50,818,260	51,061,581
Capital expenditure, MEUR	8.9	4.6	39.8	35.1
Employees, FTE	2,749	2,757	2,774	2,765

CURRENCY RATES	Closing rate		Average rate	
	31 Dec 2015	31 Dec 2014	Jan-Dec 2015	Jan-Dec 2014
SEK	9.19	9.39	9.35	9.10
USD	1.09	1.21	1.11	1.33
BRL	4.31	3.22	3.69	3.12

**PRO FORMA SEGMENT INFORMATION**

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

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

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

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

**Calculation of key figures****EBITDA**

Operating result before depreciation and amortisation.

**EBITDA margin**

EBITDA as a percentage of net sales.

**Operating margin**

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

**Return on shareholders' equity**

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

**Operating capital**

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

**Return on operating capital**

Operating result as a percentage of operating capital.

**Net Interest-bearing liability**

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

**Debt/equity ratio**

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

**Equity/assets ratio**

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

**Earnings per share**

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

**Equity per share (EPS)**

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

**FTE**

Number of hours worked divided by normal annual working hours.

**Interest bearing liabilities and assets**

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

**Non-recurring items**

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