

M-real Corporation Financial statements 1 January–31 December 2010, 10 February 2011, 12:00

M-real's operating result excluding non-recurring items for 2010: EUR 173 million

Full year result for 2010

- Sales were EUR 2,605 million (Q1–Q4/2009: 2,432)
- Operating result excluding non-recurring items EUR 173 million (-150). Operating result including non-recurring items EUR 146 million (-267).
- Result before taxes excluding non-recurring items EUR 92 million (-230). Result before taxes including non-recurring items EUR 48 million (-358).
- Earnings per share from continuing operations excluding non-recurring items EUR 0.23 (-0.66), and including non-recurring items EUR 0.09 (-1.02)

Result for October-December

- Sales EUR 665 million (Q3/2010: 662)
- Operating result excluding non-recurring items EUR 37 million (54). Operating result including non-recurring items EUR -4 million (66).
- Result before taxes excluding non-recurring items EUR 20 million (33). Result before taxes including non-recurring items EUR -22 million (45).
- Earnings per share from continuing operations excluding non-recurring items EUR 0.07 (0.08), and including non-recurring items EUR -0.06 (0.12)

Events during the fourth quarter of 2010

- Decisions to invest in increasing the capacity of the Simpele paperboard mill and modernisation of the coating section of the Kemiart Liners mill.
- Production of speciality paper was discontinued in Simpele. The production of corresponding speciality papers will continue at the Gohrsmühle mill.
- M-real divested partially the Reflex mill to Metsä Tissue Corporation.

Events after the period

- M-real started a new EUR 70 million profit improvement programme.
- M-real announced plans to invest in increasing the folding boxboard capacity of the Äänekoski and Kyröskoski mills.

"The demand for cartonboard continues very strong, and M-real is expanding its capacity to increase the production of cartonboards for food packaging in particular. The new EUR 70 million profit improvement programme, started to offset the impact of accelerating cost inflation, will particularly focus on the paper units and the variable costs of all operations. Increased paperboard prices will improve profitability during the first quarter of 2011."

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.

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KEY FIGURES	2010	2010	2010	2010	2009	2010	2009
	Q4	Q3	Q2	Q1	Q4	Q1-Q4	
Sales, EUR million	665	662	676	602	606	2,605	2,432
EBITDA, EUR million	74	95	61	82	132	312	88
excl. non-recurring items, EUR million	71	85	77	72	51	305	44
EBITDA, %	11.1	14.4	9.0	13.6	21.8	12.0	3.6
excl. Non-recurring items, %	10.7	12.8	11.4	12.0	8.4	11.7	1.8
Operating result, EUR million	-4	66	35	49	-52	146	-267
excl. non-recurring items, EUR million	37	54	43	39	7	173	-150
EBIT, %	-0.6	10.0	5.2	8.1	-8.6	5.6	-11.0
excl. Non-recurring items, %	5.6	8.2	6.4	6.5	1.2	6.6	-6.2
Result before taxes							
from continuing operations, EUR million	-22	45	0	25	-74	48	-358
excl. non-recurring items, EUR million	20	33	24	15	-15	92	-230
Result for the period							
from continuing operations, EUR million	-22	38	-8	19	-60	27	-331
from discontinued operations, EUR million	0	0	0	0	-8	0	-23
Total, EUR million	-22	38	-8	19	-68	27	-354
Result per share							
from continuing operations, EUR	-0.06	0.12	-0.03	0.06	-0.19	0.09	-1.02
from discontinued operations, EUR	0.00	0.00	0.00	0.00	-0.02	0.00	-0.07
Total, EUR	-0.06	0.12	-0.03	0.06	-0.21	0.09	-1.09
Result per share							
excl. non-recurring items, EUR	0.07	0.08	0.05	0.03	-0.20	0.23	-0.66
Return on equity, %	-8.7	15.5	-3.1	7.9	-24.3	2.8	-28.6
excl. non-recurring items, %	8.7	10.7	6.8	3.6	-1.4	7.6	-18.3
Return on capital employed, %	-0.7	11.6	3.8	9.1	-8.7	5.7	-8.9
excl. non-recurring items, %	6.3	9.6	8.1	7.3	0.4	7.6	-4.5
Equity ratio at end of period, %	32.1	31.8	31.1	32.7	29.6	32.1	29.6
Gearing ratio at end of period, %	135	135	140	121	153	135	153
Net gearing ratio at end of period, %	83	81	89	86	84	83	84
Interest-bearing net liabilities, EUR million	827	821	845	821	777	827	777
Gross investments, EUR million	18	31	10	7	18	66	73
Deliveries, 1 000 tonnes							
Paper businesses	297	269	278	311	266	1,155	1,132
Consumer Packaging	344	353	372	321	327	1,390	1,212
Personnel at the end of period							
in continuing operations	4,538	4,682	4,946	4,796	4,903	4,538	4,903

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

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Result for October-December compared with the previous quarter

M-real's sales totalled EUR 665 million (Q3/2010: 662). Comparable sales were up 0.5 per cent. The operating result was EUR -4 million (66), and the operating result excluding non-recurring items was EUR 37 million (54).

A net total of EUR -41 million was recognised as non-recurring items in the operating result for October-December, the most significant of them being:

- EUR 28 million impairment of fixed assets in the Speciality Papers business area
- EUR 15 million impairment of fixed assets in the Market Pulp and Energy business area
- EUR 15 million impairment of fixed assets and cost provisions in the Consumer Packaging business area related to the closure of the Simpele paper machine
- EUR 9 million reversal of impairment of fixed assets in the Office Papers business area
- EUR 7 million gain in Speciality Papers related to the partial divestment of the Reflex mill

The non-recurring items for the previous quarter totalled EUR +12 million net.

The operating result excluding non-recurring items compared with the corresponding period last year was weakened by the lower rate of the US dollar and British pound and the strengthening of the Swedish crown against the euro, as well as a seasonal increase in costs. The operating result of the review period includes a capital gain of EUR 2 million from sold Sappi shares booked in other operating income. The operating result of the comparison period included a capital gain of EUR 4 million from the sale of Sappi shares. All of the Sappi shares received in connection with the sale of M-real's Graphic Papers business area at the end of 2008 have been sold.

The total delivery volume of the paper businesses in October-December was 297,000 tonnes (269,000). Deliveries by Consumer Packaging totalled 344,000 tonnes (353,000).

Financial income and expenses in the period totalled EUR -15 million (-20). Foreign exchange gains and losses from accounts receivable, accounts payable, financial income and expenses and the valuation of currency hedging were EUR -2 million (-1). Net interest and other financial income and expenses amounted to EUR -13 million (-19). Other financial income and expenses include EUR 1 million of valuation gains on interest rate derivatives (a valuation gain of zero).

In the review period, the result from continuing operations before taxes was EUR -22 million (+45). The result from continuing operations before taxes, excluding non-recurring items, was EUR 20 million (33). Income taxes, including the change in deferred tax liabilities, were EUR 0 million (-7).

Earnings per share were EUR -0.06 (0.12). Earnings per share from continuing operations excluding non-recurring items were EUR 0.07 (0.08). The return on equity was -8.7 per cent (15.5), and 8.7 per cent (10.7) excluding non-recurring items. The return on capital employed was -0.7 per cent (11.6); 6.3 per cent (9.6) excluding non-recurring items.

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Result for 2010 compared to 2009

M-real's sales totalled EUR 2,605 million (2,432). Comparable sales were up 19.2 per cent. The operating result was EUR 146 million (-267), and the operating result excluding non-recurring items was EUR 173 million (-150).

The non-recurring items recognised in the operating result amounted to EUR -27 million net, the most significant being:

- EUR 28 million impairment of fixed assets in the Speciality Papers business area
- EUR 15 million impairment of fixed assets in the Market Pulp and Energy business area
- EUR 15 million impairment of fixed assets and cost provisions in the Consumer Packaging business area related to the closure of the Simpele paper machine
- EUR 9 million reversal of impairment of fixed assets in the Office Papers business area
- EUR 10 million gain and reversal of impairment loss in the Speciality Papers business area connected with the partial divestment of the Reflex mill to Metsä Tissue
- EUR 8 million net cost provision in the Speciality Papers business area connected with the restructuring of M-real Zanders and partial divestment of the Reflex mill to Metsä Tissue
- EUR 10 million gain was recognised in the operating profit under Other Operations in connection with IT arrangements. In addition, EUR 2 million was allocated to the result for discontinued operations due to the arrangement.
- EUR 8 million reversal of impairment loss under Other Operations associated with the sale of paper machine 2 in Kangas
- EUR 6 million gain from patents sold to Sappi under Other Operations
- EUR 4 million additional cost provision in the Market Pulp and Energy business area relating to the closure of the Alizay pulp mill

The non-recurring items recognised in the operating result for 2009 amounted to EUR -117 million net, the most significant being:

- EUR 134 million profit related to the Metsä-Botnia arrangement, of which EUR 18 million is allocated to Market Pulp and Energy and EUR 116 million to Other Operations.
- An impairment loss of EUR 113 million according to IAS 36, of which EUR 66 million is allocated to Speciality Papers and EUR 47 million to Office Papers. Of these, EUR 33 million was recognised in goodwill.
- EUR 48 million in write-downs and cost provisions in the Market Pulp and Energy business area connected to the plan to permanently close down the Alizay pulp mill.
- EUR 28 million in cost provisions and write-downs in the Speciality Papers business area connected to the closure of the Hallein paper mill.
- EUR 22 million cost provisions and write-downs associated with the closure of the Metsä-Botnia Kaskinen mill. This total consists of EUR 16 million related to the Consumer Packaging business area and EUR 6 million to the Market Pulp and Energy business area.
- EUR 12 million cost provision in Other Operations associated with the terminated IT contract.

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- EUR 11 million cost provision related to profit improvement measures at the Husum mill, of which EUR 9 million in the Office Papers business area and EUR 2 million in the Market Pulp and Energy business area.
- EUR 5 million cost provision associated with the profit improvement programme of the Speciality Papers business area.
- EUR 12 million net in other non-recurring items, of which EUR 2 million was in Consumer Packaging, EUR 1 million in Speciality Papers and EUR 9 million in Other Operations.

The operating result excluding non-recurring items compared with the previous year was improved by the implemented price increases in board and paper, increased delivery volumes, cost savings and higher pulp price. The result was weakened by the strengthening of the Swedish crown against the euro, the investment shutdown at the Husum mill and the Finnish stevedore strike. The operating result of the review period includes a capital gain of EUR 8 million from sold Sappi shares booked in other operating income.

The total delivery volume of paper businesses in 2010 was 1,155,000 tonnes (1,132,000). Deliveries by Consumer Packaging totalled 1,390,000 tonnes (1,212,000).

Financial income and expenses totalled EUR -74 million (-75). Foreign exchange gains and losses from accounts receivable, accounts payable, financial income and expenses and the valuation of currency hedging were EUR -9 million (5). Net interest and other financial income and expenses amounted to EUR -65 million (-80). Other financial income and expenses included EUR 10 million of valuation gains on interest rate derivatives (valuation gain of zero). The financial income of 2009 also included a gain of approximately EUR 31 million related to repurchases of M-real's own bonds and financial expenses included a loss of EUR 30 million related to early repayment of the vendor note by Sappi.

In the year under review, the result from continuing operations before taxes was EUR 48 million (-358). In addition to the non-recurring items booked in the operating result, the result includes an impairment loss of EUR -16 million, related to M-real's holding in Myllykoski Paper Oy, reported as a non-recurring item in Share of results in associated companies after the operating result. The result for year 2009 included a non-recurring item of EUR -11 million in the line Share of results in associated companies from the Sunila pulp mill divested by Myllykoski Paper during the second quarter. The result from continuing operations before taxes, excluding non-recurring items, was EUR 92 million (-230). Income taxes, including the change in deferred tax liabilities, were EUR -21 million (positive 27).

Earnings per share were EUR 0.09 (-1.09). Earnings per share from continuing operations excluding non-recurring items were EUR 0.23 (-0.66). The return on equity was 2.8 per cent (-28.6), and 7.6 per cent (-18.3) excluding non-recurring items. The return on capital employed was 5.7 per cent (-8.9); 7.6 per cent (-4.5) excluding non-recurring items.

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Personnel

The number of personnel was 4,538 on 31 December (31 December 2009: 4,903), of which 1,783 (1,824) worked in Finland. In 2010, M-real employed an average of 4,772 people (2009: 5,913). The number of personnel in January-November 2009 included 30 per cent of Metsä-Botnia personnel.

Investments

Gross investments in January-December totalled EUR 66 million (2009: 73). The investments in January-September 2009 included a EUR 14 million share of Metsä-Botnia's investments based on M-real's 30 per cent share of ownership and the consolidation method of Metsä-Botnia until 8 December 2009.

M-real has announced that it will invest EUR 26 million in the Simpele mill to increase its folding boxboard capacity by approximately 80,000 tonnes. The sheeting capacity will also be expanded at the same time. The investments will be carried out in summer 2011.

M-real has also announced that it will invest in the modernisation of the coating section at the Kemiart Liners mill. The total value of the investment is approximately EUR 16 million. This investment will also be carried out in 2011.

Structural change

M-real's structural change from a paper company to become more clearly a packaging material producer has proceeded according to the strategy. The focus has increasingly shifted from restructuring to development, as is demonstrated by the Simpele and Kemiart Liners investments scheduled for 2011. Efforts to solve the problems of loss-making paper units will continue, and success in this area would further clearly improve M-real's profitability. The strategic review of the paper business continues.

M-real's EUR 80 million profit improvement programme for 2010 announced in December 2010 was realised according to plans. The most significant measures were:

- Permanent closure of the Alizay pulp mill in France
- Closure of the speciality paper capacity of the Reflex mill in Germany
- Streamlining of the organisation and management model in Zanders
- A new EUR 20 million internal profit improvement programme covering all business areas

In addition, the profit improvement programme includes a EUR 22 million investment at the Husum mill to improve its energy efficiency. The investment is proceeding according to plan.

The combined profit impact of these measures and the previous years' profit improvement programmes is expected to have been an improvement of approximately EUR 100 million in 2010, divided as follows:

- The profit improvement programme of 2010: EUR 40 million
- Earlier implemented profit improvement programmes: EUR 60 million

The Reflex mill in Germany is developed according to the Paper Park concept, the target being to find industrial partners for the mill site. In October 2010, M-real announced the

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first phase of the development: partial divestment of the Reflex mill to Metsä Tissue for approximately EUR 10 million. The agreement with Metsä Tissue covered paper machine 5 and related real estate, as well as certain infrastructure assets. The negotiations to reduce the headcount at the M-real Zanders mills concluded in June.

In July, M-real exercised its option to purchase former Kangas paper mill real estate and land area from Sappi for a price of EUR 13 million. The deal was part of an agreement in which M-real and Sappi settled the issues still open related to the divestment of M-real's Graphic Papers business area in 2008. In September, the city of Jyväskylä decided to use its right of pre-emption based on law to purchase the Kangas mill real estate from M-real for an equivalent price of EUR 13 million.

M-real discontinued Simpele's speciality paper production at the end of the year. The production of corresponding products will continue at the Gohrsmühle mill in Germany. The transfer of production is expected to improve M-real's annual operating result by approximately EUR 4 million.

Financing

At the end of 2010, M-real's equity ratio was 32.1 per cent (31 December 2009: 29.6) and the gearing ratio was 135 per cent (153). The net gearing ratio was 83 per cent (84). 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 the year was approximately 64 per cent (63) and the equity ratio some 38 per cent (35).

The change in the fair value of investments available for sale was approximately EUR +28 million, based mainly on the increase in the value of the Pohjolan Voima shares.

At the end of the year, net interest-bearing liabilities totalled EUR 827 million (777). Foreign-currency-denominated loans accounted for 9 per cent; 83 per cent were floating-rate and the rest were fixed-rate. At the end of 2009, the average interest rate on loans was 5.1 per cent and the average maturity of long-term loans 2.7 years. The interest rate maturity of loans was 9.4 months at the end of the year. During the period, the interest rate maturity has varied between six and 10 months.

Cash flow from operations amounted to EUR -49 million (Q1-Q4/2009: 110). Working capital was up by EUR 86 million (down 140), mainly as a result of the increase in delivery volumes and prices. Turnover of operating net working capital remained on 2009 level.

At the end of September, an average of 4.8 months of the net foreign currency exposure was hedged. The degree of hedging varied between four and six months during the period. Approximately 70 per cent of the non-euro-denominated equity was hedged at the end of September.

Liquidity continues at a good level. At the end of September, liquidity was EUR 415 million, of which EUR 7 million consisted of undrawn pension premium (TyEL) loans and EUR 408 million of liquid assets and investments. EUR 218 million of the liquid assets and investments are assets deposited by other Metsäliitto Group businesses in M-real's

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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 about EUR 520 million.

In January, M-real redeemed early a EUR 250 million item of its own bond at a 100 per cent redemption price, according to the terms of the bond, and the remaining EUR 90.05 million of the same bond in July. In June 2010, M-real raised pension loans (TyEL) worth a total of EUR 135 million with a maturity of ten years. In December, the company raised pension loans (TyEL) worth a total of EUR 31 million. With these measures, M-real has extended the maturity profile of its loans and strengthened its liquidity.

In August, Standard & Poor's upgraded M-real's CCC+ credit rating to B-. The rating outlook remains stable. The upgrade has a positive impact of approximately EUR 1 million on M-real's annual financing costs.

In September, Moody's Investors Service upgraded M-real's Caa1 rating to B3. The rating outlook was changed to positive. The upgrade has a positive impact of approximately EUR 1 million on M-real's annual financing costs.

Shares

In 2010, the highest price for M-real's A shares on the NASDAQ OMX Helsinki was EUR 3.64, the lowest EUR 1.93, and the average price EUR 2.85. At the end of the year, the price of the A shares was EUR 2.85. At the end of 2009, the price of the A shares was EUR 1.94, while the average price in 2009 was EUR 1.52.

The highest price for M-real's B shares in 2010 was EUR 3.26, the lowest EUR 1.46, and the average price EUR 2.44. At the end of the year, the price of the B shares was EUR 2.54. At the end of 2009, the price of the B shares was EUR 1.53, while the average price in 2009 was EUR 0.66.

The trading volume of A shares was EUR 6 million, 5 per cent of the share capital. The trading volume of B shares was EUR 894 million, 125 per cent of the share capital. The market value of A and B shares totalled EUR 845 million at the end of the year.

At the end of the year, Metsäliitto Cooperative owned 38.8 per cent of the shares, and the voting rights conferred by these shares amounted to 60.5 per cent. International investors held 14 per cent of the shares.

On 8 April 2010, the holdings of Norway's Central Bank (Norges Bank) in M-real dropped to 4.4 per cent of the share capital and 1.4 per cent of the voting rights.

The company does not hold any of its own shares.

Management remuneration

In December, M-real's Board of Directors resolved on a new share-based incentive plan for the management. The aim of the plan is to combine the objectives of the shareholders and the executives in order to increase the value of M-real, to commit the executives to

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execute the mutual strategy, and to offer them a competitive reward plan based on share ownership.

The plan includes three three-year earning periods for calendar years 2011–2013, 2012–2014 and 2013–2015. The Board of Directors will decide on the earnings criteria and on targets to be established for them at the beginning of each earning period. The potential reward from the plan for the earning period 2011–2013 will be based on M-real Corporation's equity ratio and the development of return on capital employed (ROCE) and earnings before interest and taxes (EBIT). Each earnings period will be followed by a subsequent two-year restriction period during which the participant is not entitled to transfer or dispose of the shares.

The potential reward from the earning period 2011–2013 will be paid partly in the company's series B shares and partly in cash in 2014. The proportion paid in cash will cover taxes and tax-related costs arising from the reward. Initially, during the first earning period the system covers nine persons, including the members of M-real's Corporate Management Team. The rewards to be paid on the basis of the plan for the first earning period correspond to a total of approximately 1,000,000 M-real Corporation series B shares.

Additionally, CEO Helander is taking part in the management ownership system of Metsäliitto Group's executive management, through which he indirectly owns M-real's shares.

Events after the period

M-real started a new EUR 70 million profit improvement programme. The programme focuses on improving profitability of the paper business, as well as decreasing the variable costs of all businesses. The earlier-announced profit improvement impact of the Simpele and Kemi board investments 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 estimated to be reached from 2012 onwards. The positive result impact in 2011 is expected to be approximately EUR 30 million. Cost inflation is expected to accelerate in 2011. The combined result impact of M-real's new profit improvement programme and the previous years' programmes is in 2011 estimated to be EUR 90 million positive, which is expected to mostly offset the cost inflation.

The annual folding boxboard capacity of the Äänekoski and Kyröskoski mills is planned to be increased by a total of approximately 70,000 tonnes. The total value of the planned investments is some EUR 30 million. The Kyröskoski investment is planned to be completed in late 2011 and the Äänekoski investment in spring 2012. Related to the planned investment M-real will start statutory negotiations at the Äänekoski board mill on 18 February 2011 covering the mill workers in total of about 130 people. The maximum personnel reduction need is estimated to be 10 people. Kyröskoski investment is expected to have no personnel impact. Following the planned investments, the annual production capacity is to increase to 190,000 tonnes at Kyröskoski and to 240,000 tonnes at Äänekoski. Production is planned to be directed to food packaging. Even after these planned investments, M-real has good potential to further increase the production capacity of the Kyröskoski and Äänekoski mills should the market situation so require.

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Sari Pajari was appointed as SVP, Business Development and a member of the Corporate Management Team. Her education is Master of Science, Engineering. Her main responsibilities are business development and Total Quality Management. Pajari starts in the new position on 1 April 2011 and reports to CEO Mikko Helander. Pajari is moving to M-real from the position of SVP, CIO of Metsäliitto Group which she held since 2009. Prior to joining Metsäliitto Group in 2007 Pajari has worked as a managing strategy consultant in Pöyry, PwC Consulting and IBM.

Near-term outlook

The demand for board is expected to remain good during the next few months. M-real's folding boxboard and liner prices are in excess of 10 per cent higher than at the beginning of the previous year as a result of increases implemented in Europe.

The demand for uncoated fine paper seems to continue stable. M-real has announced a price increase of 6–8 per cent, effective in March. The demand for speciality papers is also expected to remain stable and the price level unchanged.

The average price of pulp is expected to be slightly lower in the first quarter compared with the fourth quarter of the previous year. A significant decrease in the price of pulp is not foreseen, however.

Cost inflation is expected to accelerate in 2011. M-real started a new EUR 70 million profit improvement programme in January 2011. The combined result impact of the new programme and the previous years' profit improvement programmes is in 2011 estimated to be EUR 90 million positive, which is expected to mostly offset the accelerated cost inflation.

In the first quarter of 2011 M-real's operating result, excluding non-recurring items, is expected to improve from the fourth quarter of 2010.

Near-term business risks

There is still a risk of the economic recovery of the eurozone slowing down or coming to a standstill and of the demand for board and paper products, which has mainly already recovered, experiencing another downturn.

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 mostly cover the increased cost inflation 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.

The company's short-term and medium-term financial position is secure. Due to possibly increasing regulations, the operation of the credit and bond markets may be limited. This may hamper the company's ability to acquire long-term debt financing at a competitive price.

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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 results 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 37-38 of M-real's 2009 annual report.

M-REAL CORPORATION

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More information is available starting from 1 pm on 27 October 2010. A telephone conference for investors and analysts in English starts at 3 p.m. (EET). Conference call participants are requested to call 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 885744.

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Consumer Packaging

Consumer Packaging	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2010 Q1-Q4	2009 Q1-Q4
Sales, EUR million	303	305	310	257	255	250	1175	968
EBITDA, EUR million	49	48	51	52	50	51	200	140
excl. non-recurring items	52	48	51	52	51	51	203	146
Operating result, EUR million	24	34	38	39	33	31	135	51
excl. non-recurring items	38	34	38	39	34	31	149	69
Return on capital employed, %	13.7	18.1	21.1	22.8	18.8	16.4	19.4	6.9
excl. non-recurring items, %	22.0	18.1	21.1	22.8	19.2	16.4	21.5	9.4
Deliveries, 1,000 tonnes	344	353	372	321	327	315	1390	1,212
Production, 1,000 tonnes	362	353	363	342	342	323	1420	1,232
Personnel at the end of period	1,521	1,544	1,761	1,529	1,533	1,545	1,521	1,533

Result for October-December compared with the previous quarter

The operating result excluding non-recurring items for the Consumer Packaging business area improved from the previous quarter and was EUR 38 million (Q3/2010: 34). The result was improved by the implemented price increases. The result was weakened by the weakening of the US dollar against the euro.

EUR -14 million in total were recognised in the operating result as non-recurring items, the most significant items being EUR -15 million of impairment of fixed assets and cost provisions related to the closing down of the Simpele paper machine. 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.

Year 2010 compared with year 2009

The operating result excluding non-recurring items for the Consumer Packaging business area improved from the previous year and totalled EUR 149 million (69). The most significant factors contributing to the result were the implemented price increases and the higher delivery volume resulting from the recovery in demand. Production and delivery volume records were broken in 2010 for folding boxboard as well as liners.

EUR -14 million in total were recognised in the operating result as non-recurring items, the most significant items being EUR -15 million of impairment of fixed assets and cost provisions related to the closing down of the Simpele paper machine. The result for the previous year included non-recurring items of EUR -18 million related to the closure of Metsä-Botnia's Kaskinen mill and personnel cuts.

The deliveries of European folding boxboard producers increased by 9 per cent compared with the previous year. Consumer Packaging's deliveries of folding boxboard were up by 12 per cent.

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Office Papers

	2010	2010	2010	2010	2009	2009	2010	2009
Office Papers	Q4	Q3	Q2	Q1	Q4	Q3	Q1-Q4	Q1-Q4
Sales, EUR million	181	164	153	160	132	133	658	543
EBITDA, EUR million	9	17	6	11	6	0	43	1
excl. non-recurring items	10	17	6	11	13	0	44	8
Operating result, EUR million	9	9	-4	0	-54	-15	14	-104
excl. non-recurring items	0	9	-4	0	0	-13	5	-48
Return on capital employed, %	6.5	8.5	-4.0	-0.1	-47.0	-13.0	2.8	-21.1
excl. non-recurring items, %	0.0	8.5	-4.0	-0.1	-0.1	-11.4	1.1	-9.8
Deliveries, 1,000 tonnes	248	212	212	237	198	199	909	790
Production, 1,000 tonnes	238	228	209	235	213	181	910	795
Personnel at the end of period	1,208	1,213	1,225	1,320	1,374	1,407	1,208	1,374

Result for October-December compared with the previous quarter

The operating result excluding non-recurring items for the Office Papers business area weakened compared to the previous quarter and was EUR 0 million (Q3/2010: 9). The result was weakened by a decrease in the average euro-denominated selling price due to the more unfavourable sales distribution and the weakening of the US dollar, British pound. Also strengthening of the Swedish crown against the euro, as well as higher wood raw material costs weakened the result. The result was improved by a decrease in pulp prices.

The result includes a non-recurring item of a EUR 9 million reversal of impairment of fixed assets. The result for the previous quarter did not include non-recurring items.

Total deliveries by European uncoated fine paper producers were down by 6 per cent compared to the previous quarter. The delivery volume of Office Papers increased by 17 per cent.

Year 2010 compared with year 2009

The operating result for Office Papers, excluding non-recurring items, improved from the previous year and totalled EUR 5 million (-48). The result improved thanks to a higher average price as a result of implemented price increases and higher delivery volumes resulting from the recovery in demand. Increased fibre costs and strengthening of the Swedish crown against the euro, in turn, weakened the result.

The result includes a non-recurring item of a EUR 9 million reversal of impairment of fixed assets. The result for the previous year included non-recurring items of EUR -56 million, of which EUR 47 million was an impairment charge according to IAS 36, and the rest was a EUR 9 million cost provision related to the profit improvement measures at the Husum plant.

Total deliveries by European uncoated fine paper producers increased by 7 per cent compared to the previous year. The delivery volume of Office Papers increased by 15 per cent.

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Speciality Papers

Speciality Papers	2010	2010	2010	2010	2009	2009	2010	2009
	Q4	Q3	Q2	Q1	Q4	Q3	Q1-Q4	Q1-Q4
Sales, EUR million	66	75	80	82	73	80	303	352
EBITDA, EUR million	0	5	-18	-4	-8	-7	-17	-65
excl. non-recurring items	-7	-3	-2	-4	-2	-8	-16	-31
Operating result, EUR million	-31	4	-21	-6	-78	-10	-54	-151
excl. non-recurring items	-8	-7	-5	-6	-6	-11	-26	-51
Return on capital employed, %	-155.6	18.0	-76.3	-19.6	-170.3	-16.0	-49.1	-55.8
excl. non-recurring items, %	-43.0	-24.5	-18.8	-19.6	-14.1	-17.6	-23.6	-18.7
Deliveries, 1,000 tonnes	49	57	66	74	68	76	246	342
Production, 1,000 tonnes	46	52	67	70	63	69	235	297
Personnel at the end of period	1,204	1,329	1,358	1,373	1,389	1,563	1,204	1,389

Result for October-December compared with the previous quarter

The operating result excluding non-recurring items for the Speciality Papers business area decreased compared to the previous quarter and was EUR -8 million (Q3/2010: -7). The result was weakened by the seasonal decrease in delivery volumes and increased costs. The result was improved by higher selling prices and decreased fibre costs.

The result includes EUR -23 million of non-recurring items as follows.

- EUR 28 million impairment of fixed assets relating to the Gohrsmuhle mill
- EUR 7 million gain on the partial sale of the Reflex mill to Metsä Tissue
- EUR 2 million of other non-recurring expenses

The result for the previous quarter included non-recurring income items of EUR 11 million, of which amount EUR 8 million concerned the release of a cost provision and EUR 3 million the reversal of impairment loss as a result of the partial divestment of the Reflex mill to Metsä Tissue and lower reorganisation expenses at Zanders.

The delivery volume of Speciality Papers fell by 14 per cent; this figure includes the discontinuation of standard coated fine paper production.

Year 2010 compared with year 2009

The operating result for Speciality Papers, excluding non-recurring items, improved from the previous year and totalled EUR -26 million (-51). The result was improved by the implemented price increases and cost savings. The result was weakened by considerably increased pulp prices.

A total of EUR -28 million was recognised as non-recurring items in the operating result as follows:

- EUR 28 million impairment of fixed assets
- EUR 10 million gain and reversal of impairment related to the partial divestment of the Reflex mill
- EUR 8 million net cost provision in the Speciality Papers business area connected with the restructuring of M-real Zanders and partial divestment of the Reflex mill to Metsä Tissue

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- EUR 2 million of other non-recurring expenses

The result for the previous year included non-recurring items of EUR -100 million related to impairment loss according to IAS 36, the closing down of the Hallein paper mill and the business area's profit improvement programme.

The delivery volume of Speciality Papers fell by 28 per cent; this figure includes the discontinuation of standard coated fine paper production.

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Market Pulp and Energy

	2010	2010	2010	2010	2009	2009	2010	2009
Market Pulp and Energy	Q4	Q3	Q2	Q1	Q4	Q3	Q1-Q4	Q1-Q4
Sales, EUR million	106	107	126	95	126	132	434	508
EBITDA, EUR million	19	19	23	14	-1	-6	75	-21
excl. non-recurring items	19	23	23	14	2	-6	79	-17
Operating result, EUR million	-1	12	16	9	-39	-15	36	-91
excl. non-recurring items	12	16	16	9	-9	-14	53	-54
Return on capital employed, %	-0.4	7.6	11.4	5.9	-22.1	-7.3	6.0	-12.2
excl. non-recurring items, %	7.9	10.1	11.4	5.9	-4.8	-6.9	8.9	-7.2
Deliveries, 1,000 tonnes	168	167	194	161	246	295	690	1,155
Personnel at the end of period	24	24	24	24	18	19	24	18

Result for October-December compared with the previous quarter

The operating result excluding non-recurring items for the Market Pulp and Energy business area decreased compared with the previous quarter and was EUR 12 million (Q3/2010: 16). The result was weakened by the lower price of pulp and the weakening of the US dollar against the euro.

A total of EUR -13 million net was recognised in the result as non-recurring items as follows:

- EUR 15 million of impairment losses related to the Hallein mill
- EUR 2 million of other non-recurring income items

An additional cost provision of EUR -4 million was recognised in the previous quarter's result relating to the closure of the Alizay pulp mill.

Year 2010 compared with year 2009

The operating result of Market Pulp and Energy, excluding non-recurring items, improved from the previous year and totalled EUR 53 million (-54). The result improved thanks to higher pulp prices. Moreover, the comparable delivery volume increased considerably. Last year's deliveries included Metsä-Botnia's external deliveries.

The result included non-recurring items of EUR -17 million in total as follows:

- EUR -15 million of impairment losses relating to the Hallein mill
- EUR -4 million of additional cost provisions relating to the closure of the Alizay pulp mill were,
- EUR 2 million of other non-recurring income items.

The result for the previous year included a total of EUR -37 million net in non-recurring items as follows:

- EUR 48 million in write-downs and provisions associated with the plan to close down the Alizay pulp mill permanently
- EUR 18 million gain relating to the sale of Metsä-Botnia's shares in Pohjolan Voima
- EUR 6 million in cost provisions and write-downs associated with the closure of the Metsä-Botnia Kaskinen mill

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- EUR 1 million in cost provisions related to the profit improvement measures at the Husum mill.

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Condensed consolidated statement of comprehensive income

EUR million	2010 Q1- Q4	2009 Q1- Q4	Change	2010 Q2	2010 Q3	2010 Q4	2009 Q4
Continuing operations							
Sales	2,605	2,432	173	676	662	665	606
Other operating income	108	252	-144	16	29	38	166
Operating expenses	-2,479	-2,597	118	-654	-618	-651	-641
Share of results in associated companies *)	78	2	76	23	22	22	2
Depreciation and impairment losses	-166	-356	190	-26	-29	-78	-185
Operating result	146	-267	413	35	66	-4	-52
% of sales	5.6	-11.0		5.2	10.0	-0.6	-8.6
Share of results in associated companies	-24	-16	-8	-18	-1	-3	-2
Net exchange gains and losses	-9	5	-14	0	-1	-2	1
Other net financial items	-65	-80	15	-17	-19	-13	-21
Result before income tax	48	-358	406	0	45	-22	-74
% of sales	1.8	-14.7		0.0	6.8	-3.3	-12.2
Income taxes	-21	27	-48	-8	-7	0	14
Result for the period from continuing operations	27	-331	358	-8	38	-22	-60
% of sales	1.0	-13.6		-1.2	5.7	-3.3	-9.9
Discontinued operations							
Result from discontinued operations	0	-23	23	0	0	0	-8
Result for the period	27	-354	381	-8	38	-22	-68
Other comprehensive income							
Cash flow hedges	10	26	-16	-5	10	10	2
Available for sale financial assets	28	-115	143	4	13	-5	-22
Translation differences	12	5	7	4	1	5	15
Share of results in associated companies	2		2	1	-1	0	0
Income tax relating to components of other comprehensive income	-2	27	-29	2	-4	0	5
Other comprehensive income, net of tax	50	-57	107	6	19	10	0
Total comprehensive income for the period	77	-411	488	-2	57	-12	-68
Result for the period attributable to							
Shareholders of parent company	28	-358	386	-8	39	-22	-69
Non-controlling interests	-1	4	-5	0	-1	0	1
Total comprehensive income for the period attributable to							
Shareholders of parent company	78	-412	490	-2	58	-12	-68
Non-controlling interests	-1	1	-2	0	-1	0	0
Total	77	-411	488	-2	57	-12	-68
Earnings per share for result attributable to shareholders of parent company (EUR/share)							
from continuing operations	0.09	-1.02	1.11	-0.03	0.12	-0.06	-0.19
from discontinued operations	0.00	-0.07	0.07	0.00	0.00	0.00	-0.02
Total	0.09	-1.09	1.18	-0.03	0.12	-0.06	-0.21

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

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Condensed consolidated balance sheet

EUR million	31.12. 2010	%	31.12. 2009	%
ASSETS				
Non-current assets				
Goodwill	13	0.4	13	0.4
Other intangible assets	26	0.8	32	1.0
Tangible assets	1,063	34.1	1,130	36.1
Investments in associated companies	265	8.5	210	6.7
Available for sale investments	314	10.1	316	10.1
Other non-current financial assets	67	2.1	64	2.0
Deferred tax receivables	3	0.1	3	0.1
	1,751	56.1	1,768	56.4
Current assets				
Inventories	391	12.6	313	10.0
Accounts receivables and other receivables	567	18.2	554	17.7
Cash and cash equivalents	408	13.1	497	15.9
	1,366	43.9	1,364	43.6
Total assets	3,117	100.0	3,132	100.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Equity attributable to shareholders of parent company	994	31.9	916	29.2
Non-controlling interests	5	0.2	8	0.3
Total equity	999	32.1	924	29.5
Non-current liabilities				
Deferred tax liabilities	179	5.8	162	5.2
Post-employment benefit obligations	85	2.7	89	2.8
Provisions	35	1.1	60	1.9
Borrowings	1,016	32.6	943	30.1
Other liabilities	26	0.8	30	1.0
	1,341	43.0	1,284	41.0
Current liabilities				
Provisions	7	0.2	44	1.4
Current borrowings	334	10.7	467	14.9
Accounts payable and other liabilities	436	14.0	413	13.2
	777	24.9	924	29.5
Total liabilities	2,118	67.9	2,208	70.5
Total shareholders' equity and liabilities	3,117	100.0	3,132	100.0

Non-current portion of derivative financial instruments have been transferred to non-current financial assets from accounts receivables and other receivables (EUR 5 million 31 December 2009). Non-current portion of derivative financial instruments have been transferred to other non-current liabilities from accounts payable and other liabilities (EUR 18 million 31 December 2009).

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Condensed consolidated cash flow statement

EUR million	2010 Q1-Q4	2009 Q1-Q4	2010 Q4
Result for the period	27	-354	-22
Total adjustments	108	324	33
Change in working capital	-86	140	0
Cash flow arising from operations	49	110	11
Net financial items	-102	-38	-31
Income taxes paid	-16	9	2
Net cash flow arising from operating activities	-69	81	-18
Investments in intangible and tangible assets	-66	-73	-18
Divestments of assets and other	86	284	31
Net cash flow arising from investing activities	20	211	13
Changes in non-current loans and in other financial items	-39	-344	-24
Dividends paid	-2	0	0
Net cash flow arising from financing activities	-41	-344	-24
Changes in cash and cash equivalents	-90	-52	-29
Cash and cash equivalents at beginning of period	497	550	437
Translation difference in cash and cash equivalents	1	-1	0
Changes in cash and cash equivalents	-90	-52	-29
Cash and cash equivalents at end of period	408	497	408

Net financial items of financial year 2010 include some EUR 27 million payments related to equity hedging and some EUR 10 million for October December.

In 2009 hedging payments were positive some EUR 50 million.

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Statement of changes in shareholders' equity 2009

EUR million	<u>Equity attributable to shareholders of parent company</u>						Total	Non-control- ling inter- ests	Total
	Share capital	Share pre- mium account	Trans- lation differ- ences	Fair value and other reserves	Retained earnings				
Shareholders' equity, 1 January 2009	558	667	-9	259	-146		1,329	57	1,386
Comprehensive income for the period									
Result for the period					-358		-358	4	-354
Other comprehensive income									
Cash flow hedges				26			26		26
Available for sale investments				-115			-115		-115
Translation differences			8				8	-3	5
Income tax relating to components of other comprehensive income			3	24			27		27
Other comprehensive income total			11	-65	0		-54	-3	-57
Comprehensive income total			11	-65	-358		-412	1	-411
Related party transaction									
Metsä Botnia restructuring in Uruguay								-50	-50
Shareholders' equity, 31 December 2009	558	667	2	194	-504		916	8	924

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Statement of changes in shareholders' equity 2010

EUR million	<u>Equity attributable to shareholders of parent company</u>						Total	Non- control- ling inter- ests	Total
	Share capital	Share pre- mium account	Trans- lation differ- ences	Fair value and other reserves	Retained earnings				
Shareholders' equity, 1 January 2010	558	667	2	194	-504		916	8	924
Comprehensive income for the period									
Result for the period					28		28	-1	27
Other comprehensive income									
Cash flow hedges				10			10		10
Available for sale investments				28			28		28
Translation differences			12				12		12
Share of other comprehensive income of associated companies			1	1			2		2
Income tax relating to components of other comprehensive income			8	-10			-2		-2
Other comprehensive income total			21	29	0		50		50
Comprehensive income total			21	29	28		78	-1	77
Related party transaction									
Dividend paid								-2	-2
Shareholders' equity, 31 December 2010	558	667	23	223	-476		994	5	999

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Key ratios	2010	2009	2010	2010
	Q1-Q4	Q1-Q4	Q4	Q4
Sales, EUR million	2,605	2,432	665	606
EBITDA, EUR million	312	88	74	132
excl. non-recurring items, EUR million	305	44	71	51
EBITDA, %	12.0	3.6	11.1	21.8
excl. non-recurring items, EUR million	11.7	1.8	10.7	8.4
Operating result, EUR million	146	-267	-4	-52
excl. non-recurring items, EUR million	173	-150	37	7
EBIT, %	5.6	-11.0	-0.6	-8.6
excl. non-recurring items, EUR million	6.6	-6.2	5.6	1.2
Result from continuing operations				
before taxes, EUR million	48	-358	-22	-74
excl. non-recurring items, EUR million	92	-230	20	-15
Result for the period				
from continuing operations, EUR million	27	-331	-22	-60
from discontinued operations, EUR million	0	-23	0	-8
Total, EUR million	27	-354	-22	-68
Earnings per share				
from continuing operations, EUR	0.09	-1.02	-0.06	-0.19
from discontinued operations, EUR	0.00	-0.07	0.00	-0.02
Total, EUR	0.09	-1.09	-0.06	-0.21
Earnings per share, excl. non-recurring items, EUR	0.23	-0.66	0.07	-0.20
Return on equity, %	2.8	-28.6	-8.7	-24.3
excl. non-recurring items, %	7.6	-18.3	8.7	-1.4
Return on capital employed, %	5.7	-8.9	-0.7	-8.7
excl. non-recurring items, %	7.6	-4.5	6.3	0.4
Equity ratio at end of period, %	32.1	29.6	32.1	29.6
Gearing ratio at end of period, %	135	153	135	153
Net gearing ratio at end of period, %	83	84	83	84
Shareholders' equity per share at end of period, EUR	3.03	2.79	3.03	2.79
Interest-bearing net liabilities, EUR million	827	777	827	777
Gross capital expenditure, EUR million	66	73	18	18
Deliveries, 1 000 tonnes				
Paper business	1,155	1,132	297	266
Consumer Packaging	1,390	1,212	344	327
Personnel at the end of period				
In continuing operations	4,538	4,903	4,538	4,903

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

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Securities and guarantees	2010	2009
EUR million		
For own liabilities	192	113
On behalf of associated companies	0	0
On behalf of Group companies	13	0
On behalf of others	1	2
Total	206	115

Open derivative contracts	2010	2009
EUR million		
Interest rate derivatives	1,248	981
Currency derivatives	2,149	2,806
Other derivatives	83	183
Total	3,480	3,970

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -15.4 million (EUR -19.5 million 31 December 2009).

Also include other closed contracts to a total amount of EUR 1,787.2 million (EUR 2,158.5 million 31 December 2009).

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Commitments related to fixed assets	2010	2009
EUR million		
Payments due in following 12 months	0	0
Payments due later	2	1

Changes in property, plant and equipment	2010	2009
EUR million		
Carrying value at beginning of period	1,130	1,808
Capital expenditure	65	70
Decreases	-16	-454
Depreciation and impairment charges	-159	-312
Translation difference	43	18
Carrying value at end of period	1,063	1,130

Impairment charges made at closure of Kangas' papermachine 2 were partly reversed (EUR 8 million) in June based on sales agreement of papermachine 2. Impairment charges made in M-real Zanders' Reflex papermill were reversed (EUR 3 million) based on agreement to sell the mill partly to Metsä Tissue. Depreciation and impairment charges include these reversals (EUR 11 million). In December some EUR 9 million reversal of impairment charge in Office Papers and some EUR 28 million impairment charge in Speciality Papers were recognised because of impairment test. In addition in December an impairment charge of EUR 15 million was recognised in Market Pulp and Energy due to fact that some buildings were retired from active use permanently and an impairment charge of some EUR 11 million was recognised in Consumer Packaging related to closure of papermachine in Simpele Paper.

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Related-party transactions

Transactions and balances with parent and sister companies

EUR million	2010	2009
Sales	39	22
Other operating income	14	37
Purchases	839	360
Interest income	8	1
Interest expenses	1	2
Non-current receivables	53	53
Current receivables	82	107
Non-current liabilities	0	0
Current liabilities	277	106

Transactions with associated companies

EUR million	2010	2008
Sales	0	1
Purchases	2	4
Non-current receivables	0	0
Current receivables	8	7
Current liabilities	2	2

Transaction 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 2009.

The figures in the financial statement are unaudited.

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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)		

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Sales and result by segment

EUR million	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2010 Q1-Q4	2009 Q1-Q4
Consumer Packaging	303	305	310	257	255	250	1,175	968
Office Papers	181	164	153	160	132	133	658	543
Speciality Papers	66	75	80	82	73	80	303	352
Market Pulp and Energy	106	107	126	95	126	132	434	508
Other operations	55	53	44	46	59	56	198	189
Internal sales	-46	-42	-37	-38	-39	-33	-163	-128
Sales	665	662	676	602	606	618	2,605	2,432
Consumer Packaging	49	48	51	52	50	51	200	140
Office Papers	9	17	6	11	6	0	43	1
Speciality Papers	0	5	-18	-4	-8	-7	-17	-65
Market Pulp and Energy	19	19	23	14	-1	-6	75	-21
Other operations	-3	6	-1	9	85	-11	11	33
EBITDA	74	95	61	82	132	27	312	88
% of sales	11.1	14.4	9.0	13.6	21.8	4.4	12.0	3.6
Consumer Packaging	24	34	38	39	33	31	135	51
Office Papers	9	9	-4	0	-54	-15	14	-104
Speciality Papers	-31	4	-21	-6	-78	-10	-54	-151
Market Pulp and Energy	-1	12	16	9	-39	-15	36	-91
Other operations	-5	7	6	7	86	-15	15	28
Operating result	-4	66	35	49	-52	-24	146	-267
% of sales	-0.6	10.0	5.2	8.1	-8.6	-3.9	5.6	-11.0
Non-recurring items								
Consumer Packaging	-14	0	0	0	-1	0	-14	-18
Office Papers	9	0	0	0	-54	-2	9	-56
Speciality Papers	-23	11	-16	0	-72	1	-28	-100
Market Pulp and Energy	-13	-4	0	0	-30	-1	-17	-37
Other operations	0	5	8	10	98	0	23	94
Non-recurring items in operating result	-41	12	-8	10	-59	-2	-27	-117
Consumer Packaging	52	48	51	52	51	51	203	146
Office Papers	10	17	6	11	13	0	44	8
Speciality Papers	-7	-3	-2	-4	-2	-8	-16	-31
Market Pulp and Energy	19	23	23	14	2	-6	79	-17
Other operations	-3	0	-1	-1	-13	-11	-5	-62
EBITDA, excl. non-recurring items	71	85	77	72	51	26	305	44
% of sales	10.7	12.8	11.4	12.0	8.4	4.2	11.7	1.8
Consumer Packaging	38	34	38	39	34	31	149	69
Office Papers	0	9	-4	0	0	-13	5	-48
Speciality Papers	-8	-7	-5	-6	-6	-11	-26	-51
Market Pulp and Energy	12	16	16	9	-9	-14	53	-54
Other operations	-5	2	-2	-3	-12	-15	-8	-66
Operating result, excl. non-recurring items	37	54	43	39	7	-22	173	-150
% of sales	5.6	8.2	6.4	6.5	1.2	-3.6	6.6	-6.2

Unaudited

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Sales and result by segment

EUR million	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2010 Q1-Q4	2009 Q1-Q4
Return on capital employed %								
Consumer Packaging	13.7	18.1	21.1	22.8	18.8	16.4	19.4	6.9
Office Papers	6.5	8.5	-4.0	-0.1	-47.0	-13.0	2.8	-21.1
Speciality Papers	-155.6	18.0	-76.3	-19.6	-170.3	-16.0	-49.4	-55.8
Market Pulp and Energy	-0.4	7.6	11.4	5.9	-22.1	-7.3	6.0	-12.2
Group	-0.7	11.6	3.8	9.1	-8.7	-2.3	5.7	-8.9

Capital employed, EUR million

Consumer Packaging	711	749	746	691	676	744	711	676
Office Papers	557	490	423	442	431	479	557	431
Speciality Papers	64	94	105	116	134	225	64	134
Market Pulp and Energy	627	659	601	568	567	830	627	567
Unallocated and eliminations	390	380	415	298	526	541	390	526
Group	2,349	2,372	2,290	2,115	2,334	2,819	2,349	2,334

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

Deliveries 1,000 tonnes	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2010 Q1-Q4	2009 Q1-Q4
Consumer Packaging	344	353	372	321	327	315	1,390	1,212
Office Papers	248	212	212	237	198	199	909	790
Speciality Papers	49	57	66	74	68	76	246	342
Paper business, total	297	269	278	311	266	275	1,155	1,132
Market Pulp	168	167	194	161	246	295	690	1,155
Production 1,000 tonnes	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2010 Q1-Q4	2009 Q1-Q4
Consumer Packaging	362	353	363	342	342	323	1,420	1,232
Office Papers	238	228	209	235	213	181	910	795
Speciality Papers	46	52	67	70	63	69	235	297
Paper business, total	284	280	276	305	276	250	1,145	1,092
Metsä-Botnia pulp ¹⁾	164	160	164	164	203	219	652	863
M-real pulp	327	331	308	329	316	263	1,295	1,120

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