

Consolidated INCOME STATEMENT

EUR million	1-3 /05	%	1-3 /04	%	1-12 /04	%
Net sales	467.6	100.0	469.9	100.0	1,922.6	100.0
Other operating income	1.6		4.0		14.2	
Operating expenses	452.2		450.0		1842.7	
Depreciations and impairment losses	17.9		17.0		71.1	
Operating profit	-0.9	-0.2	6.9	1.5	23.0	1.2
Share of results in associated companies	-0.2		-0.2		-0.4	
Net exchange gains and losses	-2.3		-3.2		0.0	
Other financial income and expenses, net	8.1		13.9		33.1	
Group contribution	0.0		0.0		5.0	
Profit before tax	-11.4	-2.4	-10.4	-2.2	-10.5	-0.5
Income taxes	0.4		-1.0		-1.4	
Minority interest	1.1		0.7		0.7	
Profit/loss for the period	-10.7	-2.3	-8.7	-1.9	-8.4	-0.4

Consolidated BALANCE SHEET

EUR million	31.03.05	%	31.03.04	%	31.12.04	%
ASSETS						
Non-current assets						
Goodwill	46.7	3.5	50.1	3.7	46.4	3.6
Other intangible assets	9.3	0.7	10.5	0.8	9.7	0.8
Tangible assets	486.3	36.5	505.1	37.1	492.6	38.5
Shares in associated companies	5.0	0.4	1.8	0.1	3.1	0.2
Deferred tax receivables	18.5	1.4	14.6	1.1	17.2	1.3
Other non-current assets	9.3	0.7	14.5	1.1	13.5	1.1
	575.0	43.1	596.6	43.9	582.5	45.5
Current assets						
Inventories	363.0	27.2	362.2	26.6	326.6	25.5
Accounts receivable and others	382.0	28.6	378.4	27.8	346.9	27.1
Cash and cash equivalents	13.9	1.0	23.0	1.7	24.5	1.9
	758.9	56.9	763.6	56.1	698.0	54.5
Total assets	1,333.8	100.0	1360.3	100.0	1,280.6	100.0
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity						
Share capital	159.5	12.0	157.0	11.5	157.0	12.3
Issue premium fund	106.9	8.0	57.1	4.2	59.3	4.6
Fair value reserve and others	0.0	0.0	0.0	0.0	0.0	0.0
Retained earnings	58.6	4.4	70.7	5.2	67.9	5.3
Minority interest	59.6	4.5	45.3	3.3	60.6	4.7
	384.6	28.8	330.1	24.3	344.9	26.9
Non-current liabilities						
Deferred tax liabilities	38.6	2.9	34.7	2.6	39.3	3.1
Interest-bearing liabilities	534.0	40.0	570.2	41.9	542.5	42.4
Other non-current liabilities	38.3	2.9	32.9	2.4	31.1	2.4
	610.9	45.8	637.9	46.9	612.9	47.9
Current liabilities						
Interest-bearing liabilities	128.3	9.6	163.7	12.0	121.0	9.4
Accounts payable and others	210.1	15.8	228.5	16.8	201.8	15.8
	338.4	25.4	392.3	28.8	322.8	25.2
Total liabilities	949.3	71.2	1030.1	75.7	935.7	73.1
Total shareholders' equity and liabilities	1,333.8	100.0	1360.3	100.0	1,280.6	100.0

Statement of changes in shareholders' equity

EUR million	Share- capital	Issue premium fund	Fair value reserve and others	Translation differences	Retained earnings	Total
Shareholders' equity 1.1.2004	157.0	57.1	0.0	0.0	74.5	288.6
Share issue						0.0
Sale of own shares						0.0
Translation differences				4.9		4.9
Transfers between groups						0.0
Profit/loss for the period					-8.7	-8.7
Minority interest						45.3
Shareholders' equity 31.3.2004	157.0	57.1	0.0	4.9	65.8	330.1
Shareholders' equity 1.1.2005	157.0	59.3	0.0	0.5	67.4	284.2
Share issue	2.5	47.6				50.1
Sale of own shares						0.0
Translation differences				1.4		1.4
Transfers between groups						0.0
Profit/loss for the period					-10.7	-10.7
Minority interest						59.6
Shareholders' equity 31.3.2005	159.5	106.9	0.0	1.9	56.7	384.6

Consolidated CASH FLOW STATEMENT

EUR million	1-3 /05	1-3 /04	1-12 /04
Cash flow from operations			
Profit/loss for the period	-10.7	-8.7	-8.4
Depreciations and impairment losses	17.9	17.0	71.1
Other adjustments	-0.9	-0.5	-0.3
Change in working capital	-69.0	-53.4	2.5
Cash flow from operations	-62.8	-45.6	65.0
Cash flow from investments			
Acquisitions and share purchases	-0.8	-74.2	-75.9
Purchases of intangible and tangible assets	-10.1	-22.5	-65.5
Assets sales and other investing cash flow	1.5	3.4	24.4
Cash flow from investments	-9.4	-93.3	-117.0
Cash flow from financing			
Change in interest-bearing liabilities and receivables	11.1	134.0	34.2
Dividends paid	0.0	0.0	0.0
Other change in shareholders' equity	50.5	8.2	22.6
Cash flow from financing	61.6	142.2	56.8
Change in cash and cash equivalents	-10.6	3.3	4.8
Cash and cash equivalents at beginning of period	24.5	19.7	19.7
Change in cash and cash equivalents	-10.6	3.3	4.8
Cash and cash equivalents at end of period	13.9	23.0	24.5

Change in tangible assets

EUR million	31.03.05	31.03.04	31.12.04
Book value at beginning of period	492.6	468.4	468.4
Acquired companies	0.3	73.5	75.2
Capital expenditure	10.1	21.8	64.3
Decreases	-0.8	-6.5	-25.7
Depreciations and impairment losses	-17.3	-16.4	-67.6
Translation difference and other changes	1.4	-35.7	-22.0
Book value at end of period	486.3	505.1	492.6

Commitments and contingencies

EUR million	31.03.05	31.03.04	31.12.04
For own liabilities			
Mortgages	1.7	2.4	1.7
For group companies			
Pledges	9.7	8.9	6.9
Guarantees	2.3	2.0	0.8
For associated companies			
Guarantees			
For others			
Guarantees	19.3	9.5	18.9
Other own commitments			
Leasing commitments for the next 12 months	9.8	7.9	9.0
Leasing commitments for subsequent periods	31.1	29.6	36.8
Other commitments	0.1	0.4	0.1

Nominal value of of derivate financial instruments

EUR million	31.03.05	31.03.04	31.12.04
Currency derivates			
Forward contracts	252.4	436.5	259.4
Options, bought	5.1	10.2	4.8
Options, written		24.9	11.9
Swaps			
Interest rate derivates			
Forward contracts			100.0
Options, bought	300.0	700.0	300.0
Options, written	300.0	800.0	350.0
Swaps	686.8	292.2	698.7

ROCE % BY SEGMENT

	1-3 /05	1-3 /04	1-12 /04
Wood Products Industry	-2.1	3.5	0.9
Distribution	3.9	5.5	6.9
Building and Construction	3.8	6.0	7.7
Other operations	5.8	0.0	6.2
FINNFOREST	-0.2	2.8	2.5

CAPITAL EMPLOYED

EUR million

	31.03.05	31.03.04	31.12.04
Wood Products Industry	618.7	611.0	583.2
Distribution	288.4	293.5	271.5
Building and Construction	154.2	157.7	154.3
Other operations	12.5	28.0	26.5
FINNFOREST	1073.8	1090.2	1035.5

	Average		
PERSONNEL BY SEGMENT	1-3 /05	1-3 /04	1-3 /04
Wood Products Industry	3 881	4 049	4 016
Distribution	2 082	2 054	2 107
Building and Construction	1 908	1 739	1 866
Other operations	83	118	116
FINNFOREST	7954	7960	8105
Finland	2480	2597	2627
Norway	1649	1876	1711
Sweden	1509	1228	1470
Germany	209	214	221
France	144	142	145
UK	957	963	961
Romania	780	732	751
Others	226	209	219
FINNFOREST	7954	7960	8105

End of month

	31.03.05	31.03.04	31.12.04
Wood Products Industry	3 883	3 971	3 903
Distribution	2 086	2 134	2 089
Building and Construction	1 911	1 762	1 906
Other operations	82	118	100
FINNFOREST	7962	7985	7998
Finland	2481	2605	2522
Norway	1653	1678	1630
Sweden	1501	1408	1542
Germany	211	238	211
France	145	141	142
UK	958	968	952
Romania	784	728	768
Others	229	219	231
FINNFOREST	7962	7985	7998

Quarterly information

EUR million

NET SALES	I/ 05	IV/ 04	III/ 04	II/ 04	I/ 04	I-IV/ 04
Wood Products Industry	261.0	252.9	229.6	287.2	268.1	1037.8
Distribution	185.1	185.2	208.0	221.8	193.3	808.3
Building and Construction	82.3	86.3	75.5	87.3	72.2	321.3
Other operations	0.1	0.1	0.1	0.1	0.2	0.5
Eliminations	-61.0	-58.4	-55.6	-67.4	-63.9	-245.3
FINNFOREST	467.6	466.0	457.5	529.1	469.9	1922.6
OPERATING PROFIT	I/ 05	IV/ 04	III/ 04	II/ 04	I/ 04	I-IV/ 04
Wood Products Industry	-3.3	-3.7	-1.9	4.9	4.8	4.1
Distribution	2.5	0.2	6.0	7.7	3.8	17.6
Building and Construction	1.4	1.9	4.2	3.0	2.1	11.1
Other operations	-1.6	-1.8	-2.6	-1.6	-3.8	-9.8
FINNFOREST	-0.9	-3.5	5.7	13.9	6.9	23.0
%	-0.2	-0.7	1.2	2.6	1.5	1.2
Share of results in associated companies	-0.2	-0.2	0.0	-0.1	-0.2	-0.4
Net exchange gains and losses	-2.3	2.0	1.3	-0.1	-3.2	0.0
Other financial income and expenses, net	8.1	6.1	10.9	2.2	13.9	33.1
Group contribution	0.0	5.0	0.0	0.0	0.0	5.0
PROFIT BEFORE TAX	-11.4	-7.7	-3.9	11.5	-10.4	-10.5
%	-2.4	-1.7	-0.9	2.2	-2.2	-0.5
Income taxes	-0.4	4.3	-1.5	-2.3	1.0	1.4
Minority interest	1.1	1.7	-0.5	-1.1	0.7	0.7
PROFIT/LOSS FOR THE PERIOD	-10.7	-1.7	-6.0	8.0	-8.7	-8.4
Return on capital employed, %	-0.2	-1.2	-0.6	1.5	2.8	2.5
Equity ratio, %	29.0	27.0	27.2	26.8	24.3	27.0
Gearing, %	167	179	175	185	213	179
Interest-bearing net liabilities	642	619	612	657	703	619
Gross capital expenditure	11	35	15	15	20	85
Personnel, end of month	7,962	7,998	8,072	8,356	7,985	7,998
PRODUCTION, 1000 m3	I/ 05	IV/ 04	III/ 04	II/ 04	I/ 04	I-IV/ 04
Sawn timber	1 053	1 014	988	1 059	1 123	4 185
Machined timber	299	427	231	211	297	1 166
Other products *)	226	225	196	236	253	911

*) incl. plywood, Kerto LVL, particleboard, ThermoWood, glulam, blockboard, poles and impregnated timber