

ANNUAL GENERAL MEETING OF UPM-KYMMENE CORPORATION

Time: 7 April 2011 at 14.00 hrs

Place: Helsinki Exhibition & Convention Centre, Helsinki

Present: Shareholders were present at the meeting, in person or represented by proxy, in accordance with the list of votes attached hereto.

In addition, members of the Board of Directors, the President and CEO, the Company's auditor, members of the Company's senior management and technical personnel were present at the meeting.

1. OPENING OF THE MEETING

The Chairman of the Board of Directors Björn Wahlroos opened the meeting and presented an overview, which discussed *inter alia* economic trends and the demand for paper as well as the value of the Company's share and the development of the paid dividends of the Company.

2. CALLING THE MEETING TO ORDER

Lagman Pekka Merilampi was elected as chairman of the General Meeting and he called Group Legal Counsel Reeta Niemisvirta as secretary of the meeting.

The chairman explained certain matters of order relating to the meeting.

It was noted that the meeting was conducted in Finnish, translated simultaneously for the participants into English and recorded on video tape.

3. ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES

Sampo Brisk was elected to scrutinize the minutes.

Tuula Mäenpää and Kati Lappalainen were elected to supervise the counting of votes.

4. RECORDING THE LEGALITY OF THE MEETING

In accordance with §10 of the Articles of Association the notice of the General Meeting shall be published on the Company's website and in one or more daily newspapers published in Helsinki. In addition, pursuant to §10 of the Articles of Association the notice shall be delivered no earlier than three months before the record date and no later than three weeks before the General Meeting, but in any case at least nine days before the record date.

It was noted that the notice of the meeting had been published on 2 March 2011 in Helsingin Sanomat and Maaseudun Tulevaisuus. The notice of the meeting had also been published on 2 February 2011 on the Company's website.

It was noted that the Annual General Meeting had been convened in accordance with the Articles of Association and the Finnish Companies Act and that it constituted a quorum.

The notice of the meeting was attached hereto (Appendix 4).

5. RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES

It was noted that 2,016 shareholders, who represented 173,384,997 shares and votes, were present at the meeting either in person, by legal representative or by proxy. The list of votes was attached hereto (Appendix 5A).

It was noted that the list of votes will be adjusted to correspond to the attendance at the beginning of a possible vote.

The chairman noted that Kati Lappalainen the authorised representative of Nordea Bank Finland Plc, Jennifer Joutsi the authorised representative of Svenska Enskilda Banken AB (publ) and Hilla Pyykkönen the authorised representative of Svenska Handelsbanken AB (publ) had prior to the General Meeting provided the chairman with the voting instructions of the nominee registered shareholders represented by them. According to the voting instructions the said shareholders either opposed or abstained from taking part in the decision-making on the said agenda items. The authorised representatives had notified that the said shareholders shall not demand a vote and the counting of votes on those agenda items, where the chairman can reliably confirm based on the voting instructions and the discussion at the meeting that the required majority of votes (and the shares represented at the meeting) on the respective agenda item supports the proposal to the General Meeting. A summary of the voting instructions were attached hereto, and the resolutions, except for the opposing or abstinent votes mentioned in the appendix, were passed unanimously (Appendix 5B).

6. PRESENTATION OF THE FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR 2010

It was noted that the Financial Statements, the Consolidated Financial Statements and the Report by the Board of Directors for the financial period of 1 January – 31 December 2010 were presented, and it was noted that the Company's Financial Statements had been available on the Company's website since 24 February 2011, in addition to which they were also available at the meeting.

The Chairman of the Board of Directors Björn Wahlroos gave a review of the main principles of the current remuneration schemes of the Company.

The President and CEO Jussi Pesonen gave a review of the Company operations in 2010.

The Financial Statements were attached hereto (Appendix 6A).

The Auditor's Report was presented and attached hereto (Appendix 6B).

7. ADOPTION OF THE FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting resolved to adopt the Financial Statements and the Consolidated Financial Statements for the financial period of 1 January – 31 December 2010.

8. RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND

It was noted that the distributable funds of the parent company according to the Balance Sheet of the parent company as per 31 December 2010 were EUR 3,275,850,998.96.

It was noted that the Board of Directors had proposed to the Annual General Meeting that a dividend of EUR 0.55 per share be paid from the distributable funds of the parent company to the shares not in the Company's possession. According to the proposal, the dividends will be paid to the shareholders who are recorded in the shareholders' register held by Euroclear Finland Ltd on the record date of the dividend payment 12 April 2011. According to the proposal, the dividend shall be paid on 20 April 2011.

The proposal by the Board of Directors was attached hereto (Appendix 8).

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, that a dividend of EUR 0.55 per share be paid from the distributable funds of the parent company to the shareholders who are recorded in the shareholders' register held by Euroclear Finland Ltd on the record date of the dividend payment 12 April 2011. The dividend shall be paid on 20 April 2011.

9. RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO FROM LIABILITY

The Annual General Meeting resolved to discharge the members of the Board of Directors and the President and CEO from liability for the financial period of 1 January – 31 December 2010.

10. RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

It was noted that the Nomination and Corporate Governance Committee of the Board of Directors had proposed to the Annual General Meeting that the fees of the Board members remain unchanged i.e. the annual fees of the Board and committee members who do not belong to the operative management will be the following: EUR 175,000 to the Chairman of the Board, EUR 120,000 to the Deputy Chairman and to the Chairman of the Audit Committee, and EUR 95,000 to the members of the Board. In addition, when the meeting is held outside the place of residence of a Board member, expenses incurred from travel and lodging will be payable against invoice. Of the annual fee, 60% will be payable in cash and 40% in the form of Company shares to be purchased on the Board members' behalf.

The proposal by the Nomination and Corporate Governance Committee of the Board of Directors was attached hereto ([Appendix 10](#)).

The Annual General Meeting resolved to approve the proposal of the Nomination and Corporate Governance Committee of the Board of Directors.

11. RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

It was noted that according to §4 of the Articles of Association the Board of Directors consists of no fewer than five (5) and no more than twelve (12) members. The term of office of a Board member shall end at the conclusion of the next Annual General Meeting following the election. The current number of members of the Board of Directors is nine (9).

It was noted that the Nomination and Corporate Governance Committee of the Board of Directors has proposed to the Annual General Meeting that the number of members of the Board of Directors be nine (9).

The Annual General Meeting resolved, in accordance with the proposal by the Nomination and Corporate Governance Committee of the Board of Directors, to confirm that the number of the members of the Board of Directors be nine (9).

12. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

It was noted that the Board of Directors currently comprises of the following nine (9) members:

Björn Wahlroos, Chairman
Berndt Brunow, Deputy Chairman
Matti Alahuhta
Karl Grotenfelt
Wendy E. Lane
Jussi Pesonen
Ursula Ranin
Veli-Matti Reinikkala
Robert J. Routs

It was noted that the Nomination and Corporate Governance Committee of the Board of Directors had proposed to the Annual General Meeting that the above individuals be re-elected as members of the Board of Directors for a term of office expiring at the conclusion of the next Annual General Meeting.

The proposal by the Nomination and Corporate Governance Committee of the Board of Directors was attached hereto ([Appendix 12](#)).

It was recorded that shareholder Ritva Siipi, voting ticket no 832, made a proposal that the number of women in the Board of Directors would be increased in connection with the next election of the Board members.

The Annual General Meeting resolved, in accordance with the proposal of the Nomination and Corporate Governance Committee of the Board of Directors, that the above mentioned individuals be elected as members of the Board of Directors.

13. RESOLUTION ON THE REMUNERATION OF THE AUDITOR

It was noted that the Audit Committee of the Board of Directors had proposed to the Annual General Meeting that the remuneration to the auditor to be elected will be paid against invoice, which has been approved by the Audit Committee.

The proposal by the Audit Committee of the Board of Directors was attached hereto (Appendix 13).

The Annual General Meeting resolved, in accordance with the proposal of the Audit Committee, that the remuneration to the auditor to be elected be paid against invoice, which has been approved by the Audit Committee of the Board of Directors.

14. ELECTION OF AUDITOR

It was noted that the Audit Committee of the Board of Directors had proposed to the Annual General Meeting that PricewaterhouseCoopers Oy, authorised public accountants, be re-elected as auditor of the Company for a term of office expiring at the conclusion of the next Annual General Meeting.

The proposal by the Audit Committee of the Board of Directors was attached hereto (Appendix 14).

The Annual General Meeting resolved, in accordance with the proposal of the Audit Committee of the Board of Directors, that PricewaterhouseCoopers Oy, authorised public accountants, be re-elected as auditor of the Company. It was noted that PricewaterhouseCoopers Oy has notified the Company that Authorised Public Accountant Juha Wahlroos will be the responsible auditor.

15. AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE ACQUISITION OF THE COMPANY'S OWN SHARES

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorised to decide on the acquisition of the Company's own shares as follows.

The number of the Company's own shares to be acquired shall not exceed 51,000,000 shares. The authorisation includes also the right to accept the Company's own shares as pledge.

The Company's own shares will be acquired in public trading otherwise than in proportion to the existing shareholdings of the Company's shareholders at the market price quoted at the time of purchase on the trading places where the Company's shares or the certificates entitling to its shares are traded, using the Company's unrestricted shareholders' equity.

The shares will be acquired to be used for financing of possible corporate acquisitions, investments or other business operations of the Company or as part of the Company's incentive programs, or to be retained by the Company, transferred further or cancelled.

The authorisation to acquire Company's own shares will remain valid for 18 months from the date of the resolution of the Annual General Meeting and it will cancel the authorisation to acquire the Company's own shares resolved by the Annual General Meeting on 22 March 2010.

The proposal by the Board of Directors was attached hereto ([Appendix 15](#)).

The Annual General Meeting resolved to authorise the Board of Directors to decide on the acquisition of the Company's own shares in accordance with the proposal of the Board of Directors.

16. AMENDMENT TO THE TERMS AND CONDITIONS OF STOCK OPTIONS 2007

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Annual General Meeting decides to amend the terms and conditions of the Company's stock options 2007 so that either new shares or existing shares held by the Company may be subscribed for based on the stock options and that each stock option entitles to one (1) new or existing share held by the Company.

The Board of Directors may decide whether the subscription right related to the stock option is directed at a new share in the company or an existing share held by the Company. According to the current terms and conditions the subscription right is directed only at a new share in the Company. The proposed amendment does not affect the maximum total number of shares that may be subscribed for or acquired based on the stock options. The Board of Directors may also decide on the necessary technical amendments to the terms and conditions of the stock options 2007.

The proposal by the Board of Directors was attached hereto ([Appendix 16](#)).

The Annual General Meeting resolved to approve the proposal of the Board of Directors to amend the terms and conditions of stock options 2007.

17. DONATIONS FOR PHILANTHROPIC OR CORRESPONDING PURPOSES

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorised to decide to donate no more than EUR 1,000,000 for philanthropic or corresponding purposes in the year 2011 and that the Board be authorised to determine the donees, the purposes and the terms of the donations at its discretion.

The proposal by the Board of Directors was attached hereto ([Appendix 17](#)).

The Annual General Meeting resolved to authorise the Board of Directors to decide on the donations for philanthropic or corresponding purposes in accordance with the proposal of the Board of Directors.

18. CLOSING OF THE MEETING

The chairman noted that the items on the agenda had been attended to and that the minutes of the meeting will be available on the Company's website as from 21 April 2011, at the latest.

The chairman thanked the shareholders and the management of the Company and announced the meeting closed at 15.50 hrs.

Chairman of the General Meeting:

Pekka Merilampi
Pekka Merilampi

In fidem:

Reeta Niemisvirta
Reeta Niemisvirta

The minutes scrutinized and approved by:

Sampo Brisk
Sampo Brisk

MINUTES
No 1/2011

UPM-KYMMENE CORPORATION
ANNUAL GENERAL MEETING

APPENDICES

- Appendix 4 The notice of the Annual General Meeting
- Appendix 5A The list of votes
- Appendix 5B Summary of voting instructions
- Appendix 6A Financial Statements 31 December 2010 and the report of the Board of Directors 2010
- Appendix 6B The auditor's report/PricewaterhouseCoopers Oy
- Appendix 8 The proposal by the Board of Directors for the distribution of profits
- Appendix 10 The proposal of the Nomination and Corporate Governance Committee of the Board of Directors for the remuneration of the members of the Board of Directors
- Appendix 12 The proposal of the Nomination and Corporate Governance Committee of the Board of Directors for the number of members and election of the Board of Directors
- Appendix 13 The proposal of the Audit Committee of the Board of Directors for the remuneration of auditor
- Appendix 14 The proposal of the Audit Committee of the Board of Directors for the election of auditor
- Appendix 15 The proposal of the Board of Directors concerning the authorisation of the Board of Directors to acquire the Company's own shares
- Appendix 16 The proposal of the Board of Directors concerning the amendment to the terms and conditions of stock options 2007
- Appendix 17 The proposal of the Board of Directors concerning the authorisation of the Board of Directors to make donations for philanthropic or corresponding purposes