

PROPOSAL FOR THE DISTRIBUTION OF PROFITS

On 31 December 2010, the distributable funds of the parent company were EUR 3,275,850,998.96. The Board of Directors proposes to the Annual General Meeting of shareholders of UPM-Kymmene Corporation to be held on 7 April 2011 that a dividend of EUR 0.55 per share be paid on the shares outstanding at the record date for the dividend payment, 12 April 2011.

On 2 February 2011, there are 519,970,088 outstanding shares and the corresponding amount to be paid in dividends is EUR 286.0 million.

The Board of Directors proposes that the dividend be paid on 20 April 2011.

No material changes have taken place in respect of the Company's financial position after the balance sheet date. In the opinion of the Board of Directors the proposed distribution of profit does not risk the solvency of the Company.

Helsinki, 2 February 2011

BOARD OF DIRECTORS