

ANNUAL GENERAL MEETING OF UPM-KYMMENE CORPORATION

Time: 30 March 2012 at 14.00 hours

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 (except Robert J. Routs), 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 presented an overview which discussed economic trends, among other things. After the overview Mr. Wahlroos opened the meeting.

2. CALLING THE MEETING TO ORDER

Attorney at Law Johan Aalto was elected as chairman of the Annual General Meeting, and he called General Counsel Juha Mäkelä 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

Christian Sandström was elected to scrutinize the minutes.

Tuomas Mattila and Tuula Mäenpää 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 of the General Meeting, 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 29 February 2012 in Helsingin Sanomat and Maaseudun Tulevaisuus. The notice of the meeting had also been published on 1 February 2012 as a stock exchange release and on the Company's website.

It was noted that the Annual Report, which includes the Company's Financial Statements, the Consolidated Financial Statements, the Report of the Board of Directors, and the Auditor's Report, has been available at the Company's website since 23 February 2012. The Financial Statements were also available at the Annual General Meeting. The said documents were attached hereto (Appendix 4A).

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 4B).

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

It was noted that 1,745 shareholders, who represented 211,110,897 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).

The chairman noted that Nordea Bank Finland Plc, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ) had prior to the Annual 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 specified agenda items. It was noted that the said shareholders did not demand a vote or make counterproposals. A summary of the voting instructions was attached hereto (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 THE YEAR 2011

The President and CEO Jussi Pesonen gave a review of the Company operations in 2011. The Financial Statements were discussed.

The Chairman presented the statement part of the Auditor's Report regarding the Financial Statements.

It was noted that the Company's Financial Statements, the Consolidated Financial Statements, the Report of the Board of Directors, and the Auditor's Report had been presented according to the law and the Articles of Association.

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 2011.

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 2011 were EUR 3,401,097,196.18.

It was noted that the Board of Directors had proposed to the Annual General Meeting that a dividend of EUR 0.60 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 dividend 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 4 April 2012. According to the proposal, the dividend shall be paid on 13 April 2012.

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

The Annual General Meeting resolved to approve the proposal of the Board of Directors.

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 2011.

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 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 of the Board and to the Chairman of the Audit Committee, and EUR 95,000 to the other 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 Company is responsible for the costs and transfer tax related to the acquisition of the Company's shares.

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.

It was noted that the Nomination and Corporate Governance Committee of the Board of Directors had 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 current Board members: Matti Alahuhta, Berndt Brunow, Karl Grotenfelt, Wendy E. Lane, Jussi Pesonen, Ursula Ranin, Veli-Matti Reinikkala and Björn Wahlroos be re-elected, and since Robert J. Routs had informed the Company that he was not available for a new term, that Kim Wahl be elected as the new Board member for a term continuing until the end 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).

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 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 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 to approve the proposal of the Audit Committee.

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 the Company's auditor for a term that will continue until the end of the next Annual General Meeting. It was noted that PricewaterhouseCoopers Oy had notified the Company that Authorised Public Accountant Juha Wahlroos would act as the auditor in charge.

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 the Company's 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 be no more than 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 as consideration in possible mergers and acquisitions or for other business operations, investments or as part of the Company's incentive programmes, or to be retained by the Company as treasury shares, transferred or cancelled.

The authorisation to acquire the 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 7 April 2011.

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. DONATIONS FOR THE PUBLIC GOOD 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 500,000 for the public good or corresponding purposes in the year 2012 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 16).

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

17. 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 of 13 April 2012 at the latest.

The chairman thanked the shareholders and the management of the Company and announced the meeting closed at 16.15 hours.

Chairman of the General Meeting:

JOHAN AALTO
Johan Aalto

In fidem:

JUHA MÄKELÄ
Juha Mäkelä

The minutes scrutinized and approved by:

CHRISTIAN SANDSTRÖM
Christian Sandström