



GROWTH BASED ON EFFICIENT PLATFORM

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Achievements in key targets

1

Large scale platform is ready

- Major investment programme completed in China, US, Poland 2007-08
- European restructuring and profitability turn-around



2

Increasing focus on emerging markets

- Acquisition of Brazilian labelstock coating and slitting operations
- New slitting and distribution terminals in Russia, Turkey, India and Latin America



3

Product renewal

- Introduction of new tailored solutions and speciality products
- Speciality label production line in the US
- Acquisition of the business operations of Gascogne Laminates Switzerland SA
- Fit-for-purpose material constructions and improved utilisation of recycling opportunities



4

Further growth opportunities

- Seeking possibilities for future growth through organic growth and M&A
- New product development towards more specialised applications



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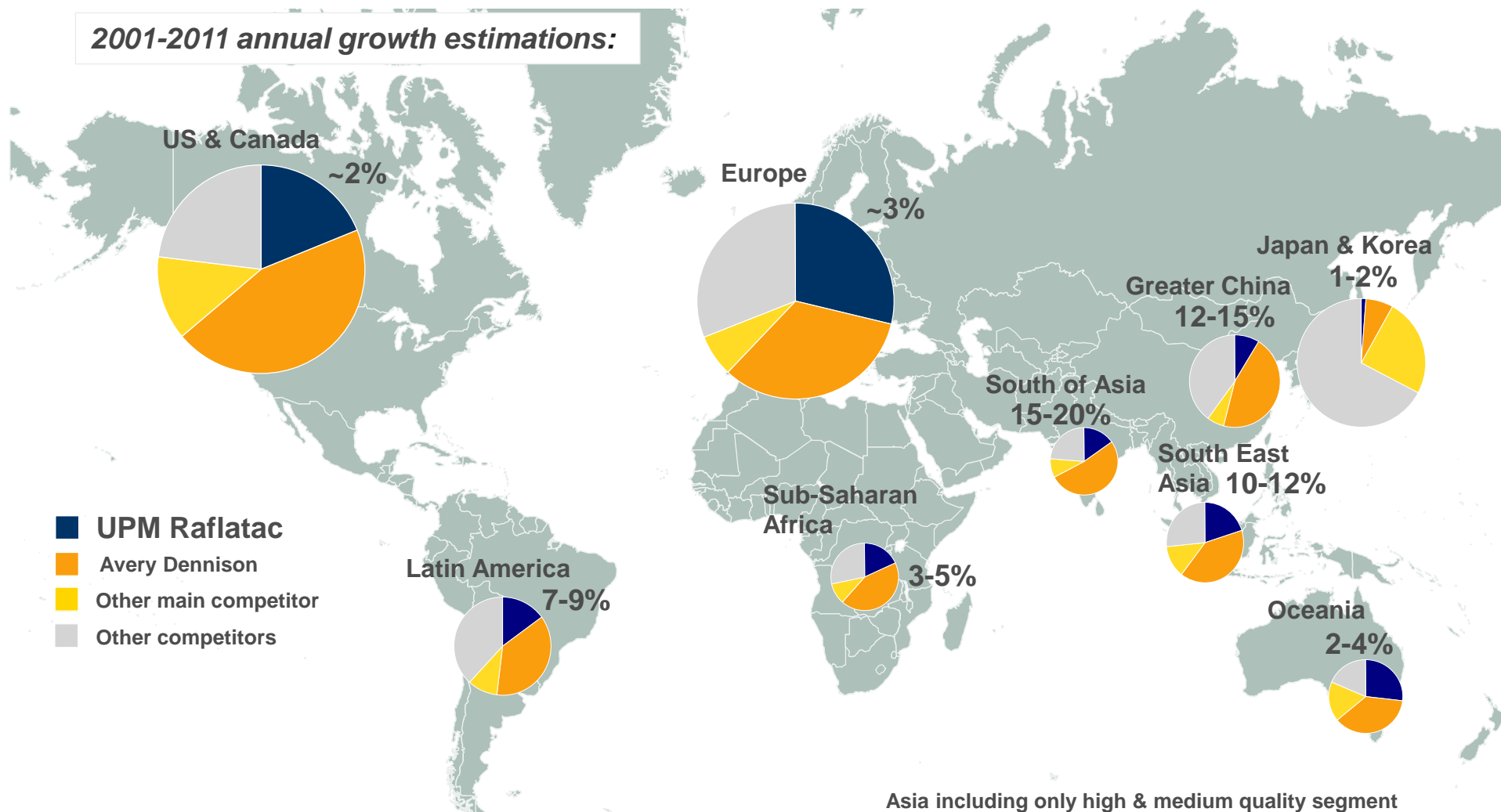
Labelstock is a ~6 bn EUR growing business globally, UPM has the #2 position in most markets

The Biofore Company



UPM

2001-2011 annual growth estimations:

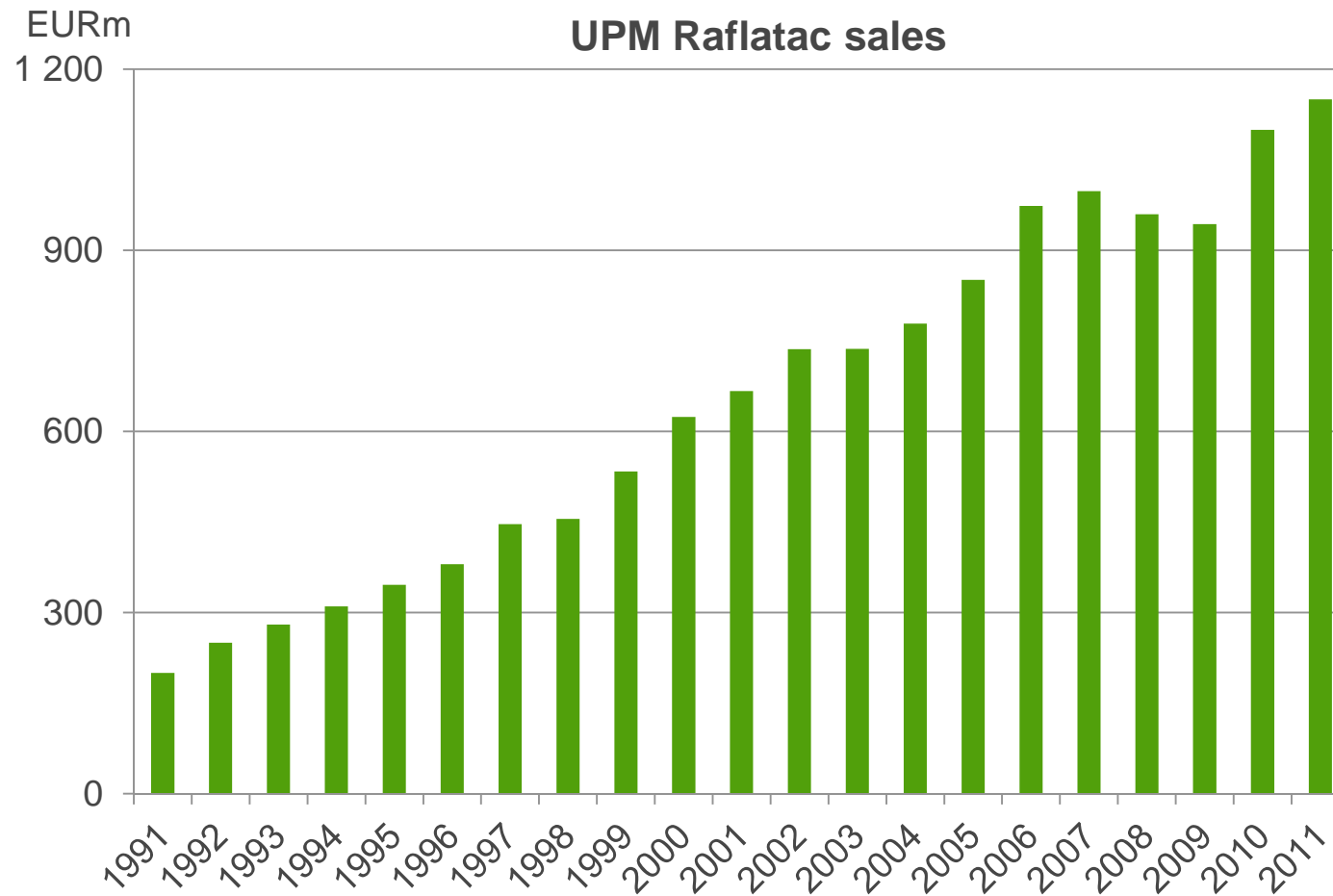


- UPM Raflatac
- Avery Dennison
- Other main competitor
- Other competitors

Asia including only high & medium quality segment

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Consistent growth



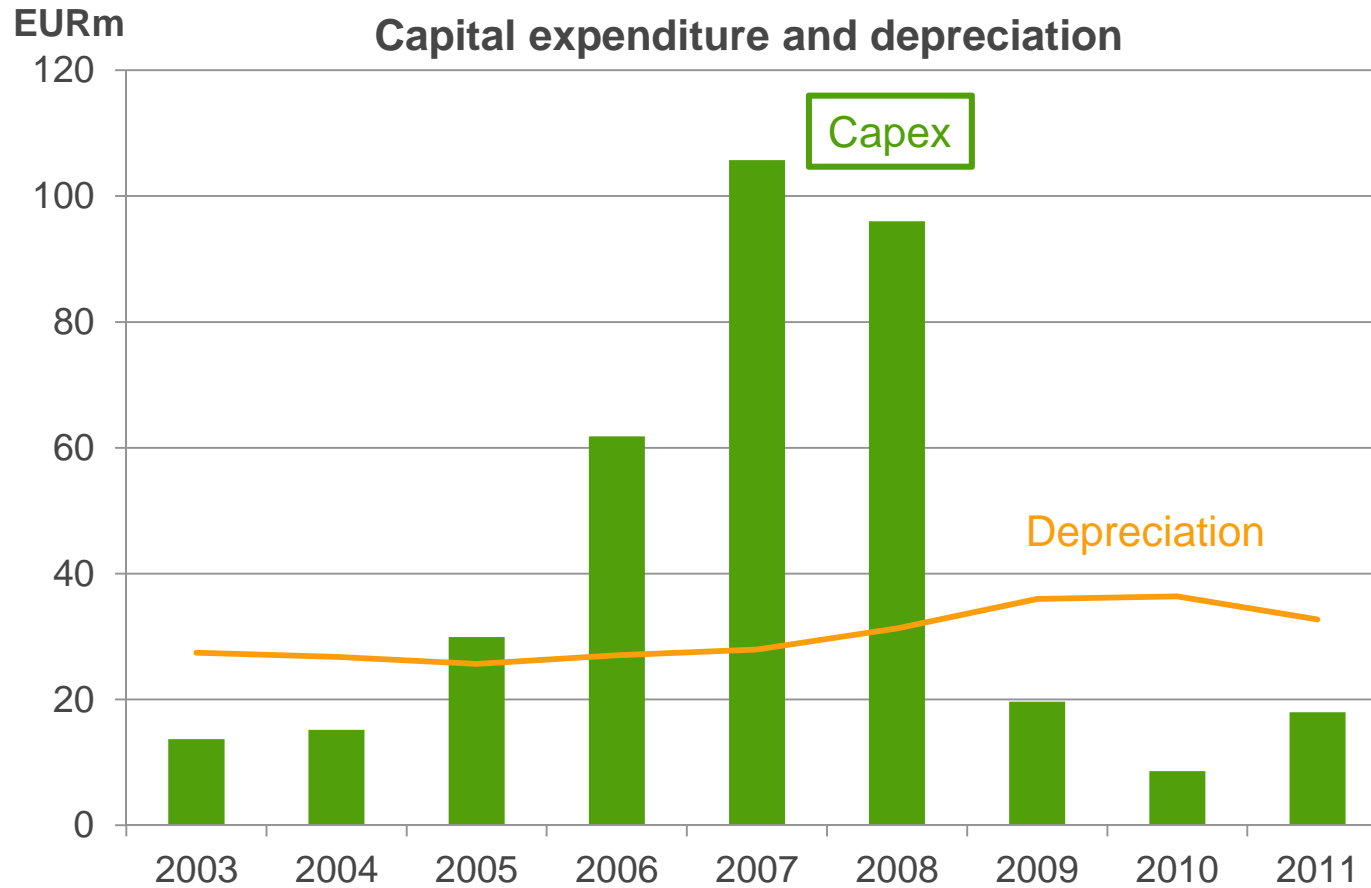
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UPM Raflatac global operating platform



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On the back of the investments in 2006-08,
the business can be developed with low capex



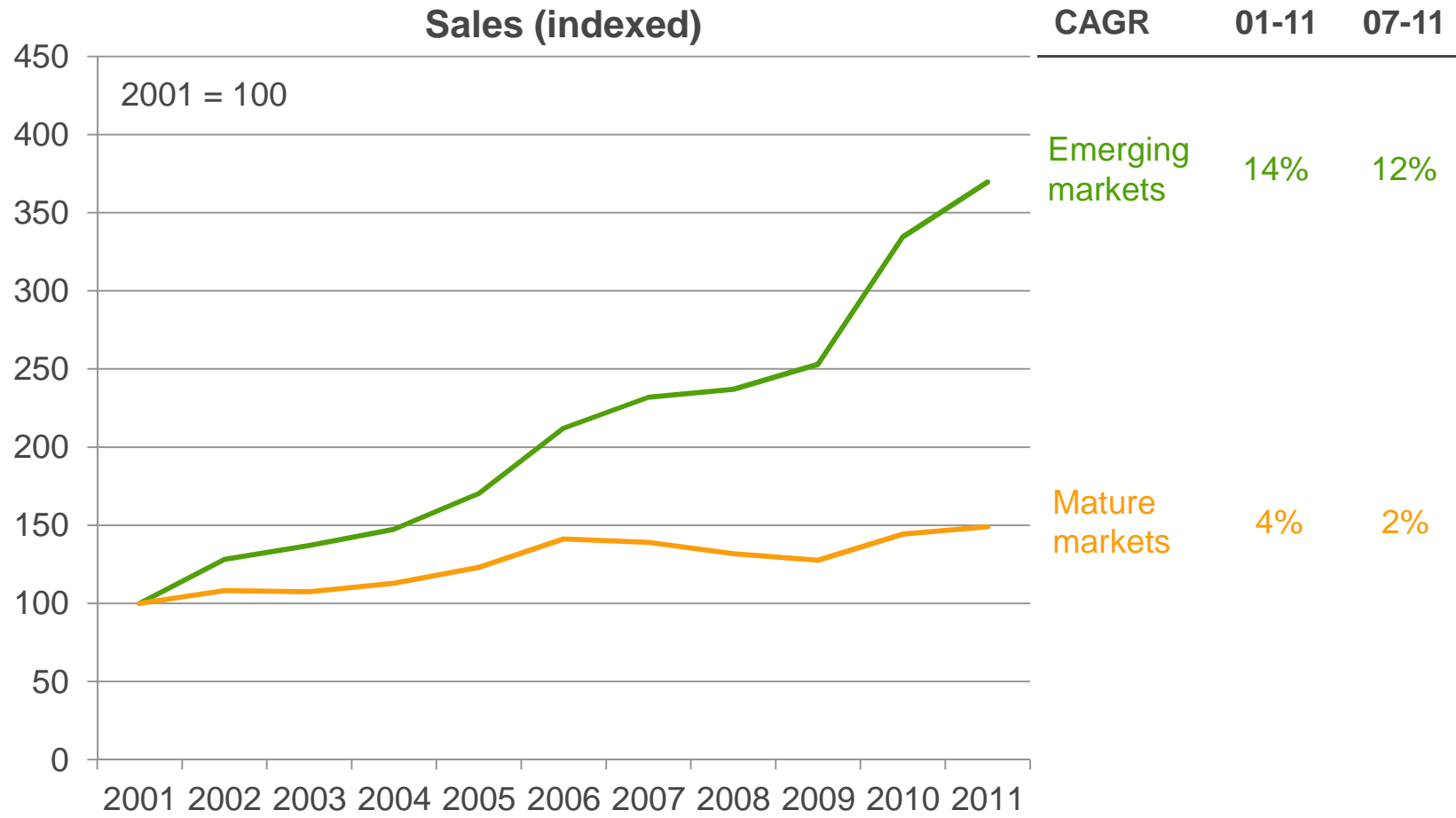
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Wroclaw factory in Poland – start-up 2008



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Growth in emerging markets



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A wealth of end-use areas offers growth potential in tailored solutions



Beverage labelling



Wine labelling



A4 & Cut-size labelling



Food labelling



Home & personal care labelling



Retail labelling



Security labelling



Pharmaceutical labelling



Logistics & Transport labelling



Durables labelling



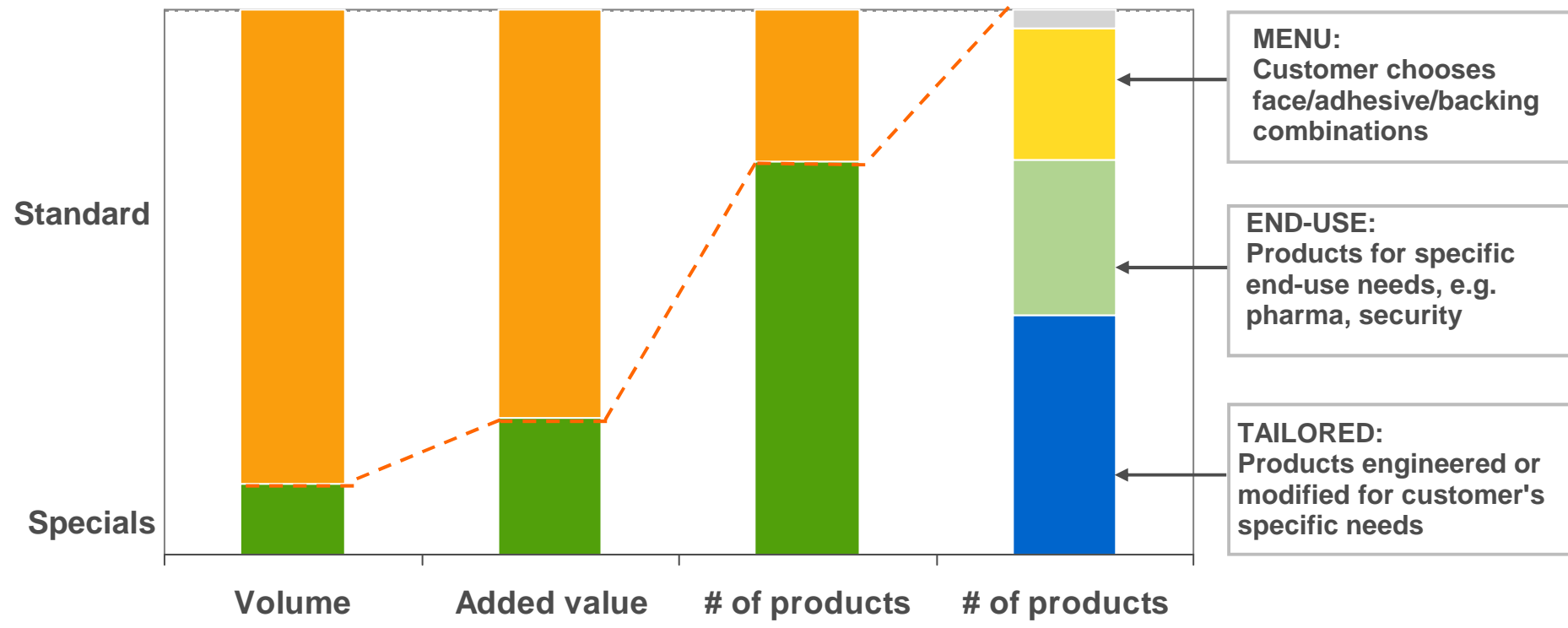
Tyre labelling



Oil & Industrial Chemical labelling

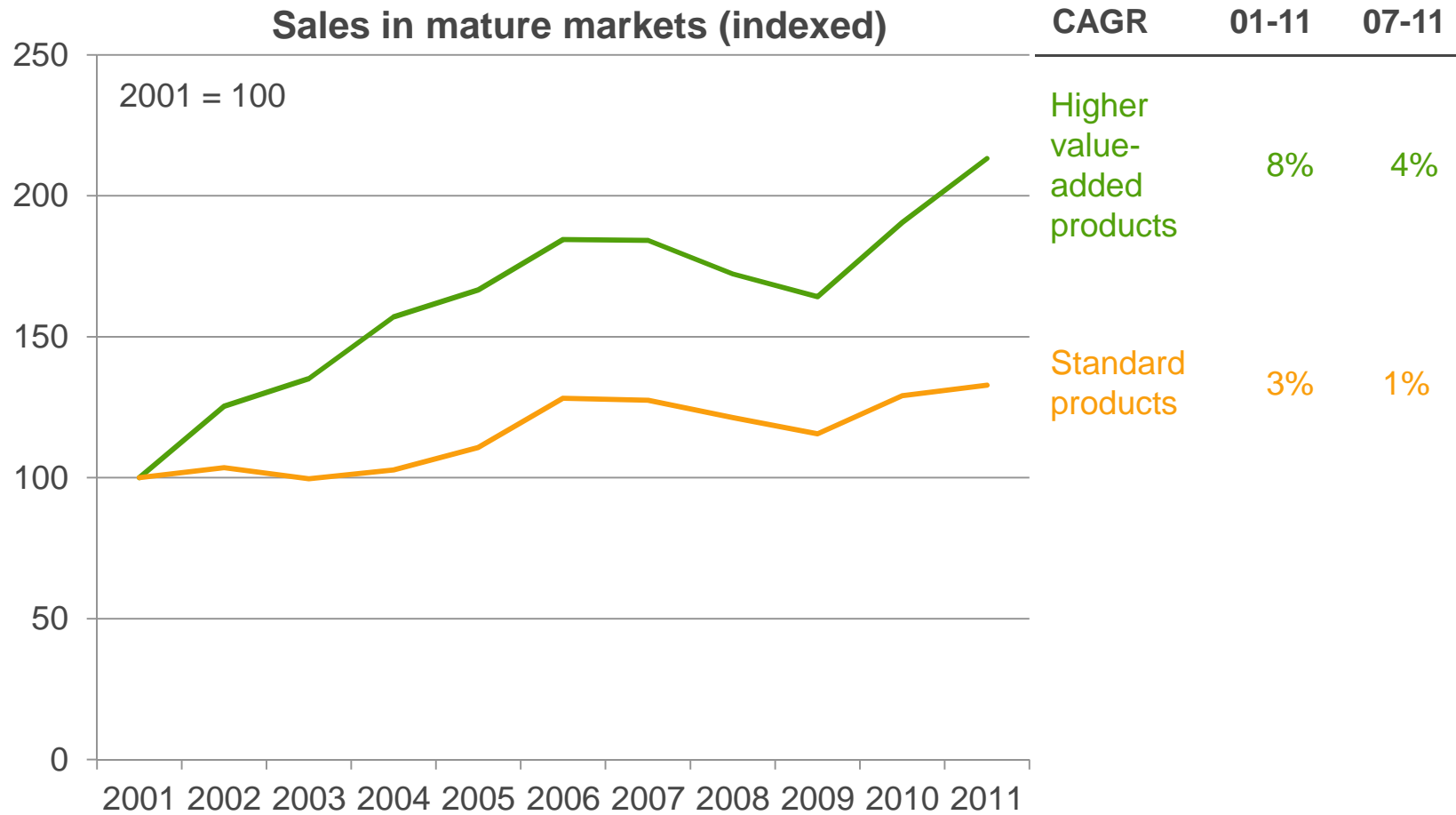
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Mastering product complexity deriving out of customers' specialized needs is key to a profitable labelstock operation



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In mature markets, UPM seeks growth in higher value added special products

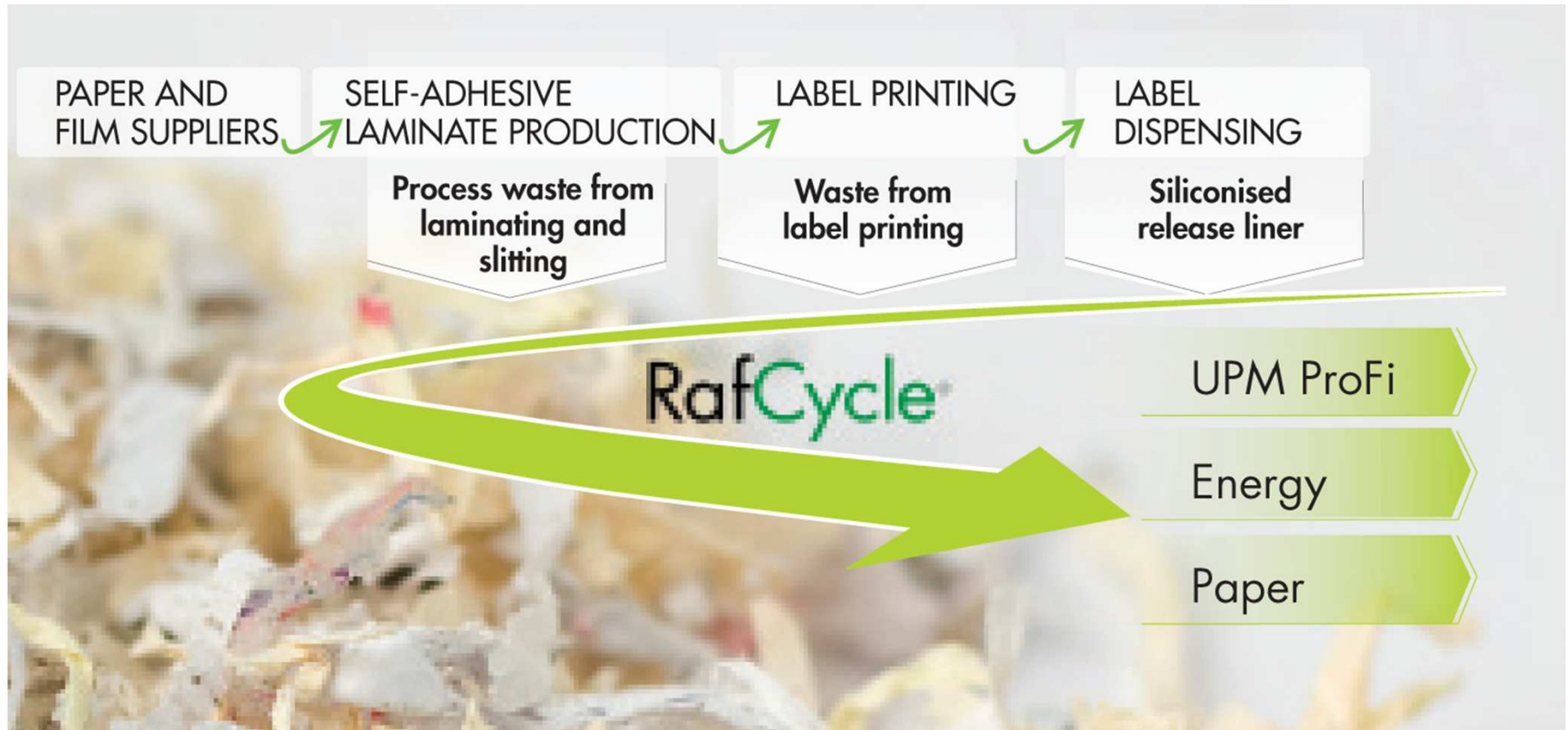


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New special products
production line in the US – start-up 2012



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RafCycle – maximising the reuse of raw materials and minimising the amount of waste paper



UPM’s RafCycle waste management concept gives a second life to self-adhesive label by-products that would otherwise be incinerated or landfilled.

LABEL Summary

- Label will continue to grow in emerging markets and in special products with relatively low investments
- Product renewal and value chain development support the long term growth targets
- Complementary acquisitions can speed the development



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