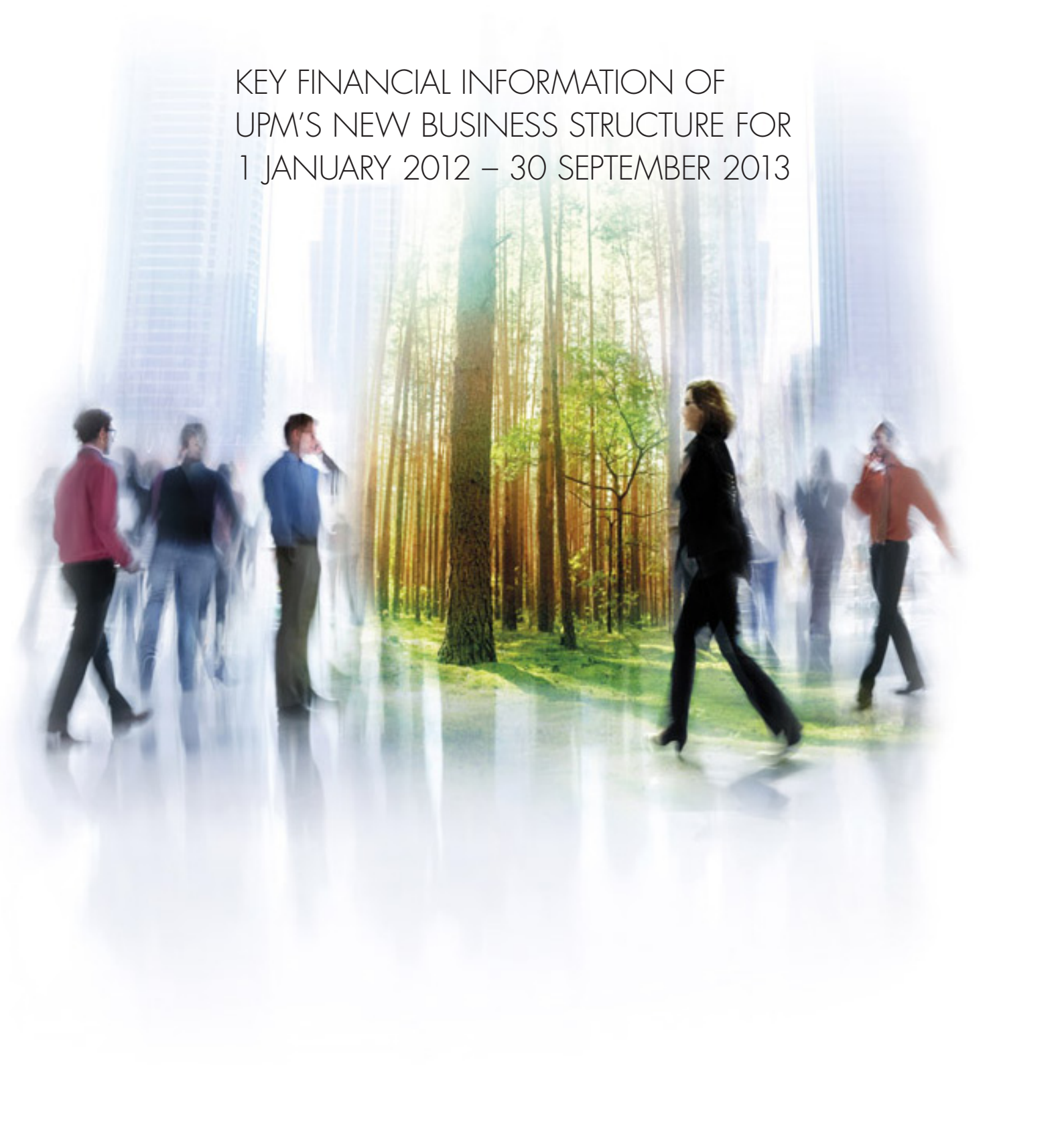




The Biofore Company

UPM

KEY FINANCIAL INFORMATION OF
UPM'S NEW BUSINESS STRUCTURE FOR
1 JANUARY 2012 – 30 SEPTEMBER 2013



Key financial information of UPM's new business structure for 1 January 2012 – 30 September 2013

As announced on 6 August 2013, UPM implements a new business structure to drive clear improvement in profitability. The company also seeks to simplify and further develop its business portfolio.

As of 1 November 2013, UPM's new structure consists of the following business areas and reporting segments: UPM Biorefining, UPM Energy, UPM Raflatac, UPM Paper Asia, UPM Paper ENA (Europe and North America) and UPM Plywood. Forests and wood sourcing are reported in Other operations. Financial reporting according to the new structure takes place from Q4 2013 onwards.

The historical financial figures according to the new business structure for Q1 2012 – Q3 2013 are presented in the tables below.

UPM Biorefining

UPM Biorefining consists of pulp, timber and biofuels businesses. It has an annual capacity of 3.3 million tonnes of chemical pulp, produced by four modern pulp mills in Finland and Uruguay, plantation operations, four efficient sawmills in Finland and a biorefinery under construction in Lappeenranta, Finland.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	484	512	495	468	477	512	513	1,491	1,502	1,970
EBITDA, EURm ¹⁾	100	128	107	77	94	119	101	335	314	391
% of sales	20.7	25.0	21.6	16.5	19.7	23.2	19.7	22.5	20.9	19.8
Change in fair value of biological assets and wood harvested, EURm	3	6	2	9	3	3	-	11	6	15
Share of results of associated companies and joint ventures, EURm	-	1	-	1	-	1	-	1	1	2
Depreciation, amortisation and impairment charges, EURm	-38	-38	-39	-40	-40	-71	-40	-115	-151	-191
Operating profit, EURm	73	102	68	47	55	42	61	243	158	205
% of sales	15.1	19.9	13.7	10.0	11.5	8.2	11.9	16.3	10.5	10.4
Special items, EURm ²⁾	6	5	-2	-1	-1	-41	-	9	-42	-43
Operating profit excl. special items, EURm	67	97	70	48	56	83	61	234	200	248
% of sales	13.8	18.9	14.1	10.3	11.7	16.2	11.9	15.7	13.3	12.6
Pulp deliveries, 1,000 t	789	774	790	730	759	755	884	2,353	2,398	3,128

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

²⁾ In Q3 2013, special income of EUR 6 million relate to restructuring charges and a capital gain from a sale of property, plant and equipment. In Q2 2013, special income of EUR 5 million relate to restructuring measures. In Q1 2013, special items of EUR 2 million relate to restructuring charges. In Q4 2012, special items of EUR 1 million relate to restructuring charges. In Q3 2012, special items include restructuring charges of EUR 1 million. In Q2 2012, special items of EUR 41 million relate to the restructuring of sawn timber and further processing operations including an impairment charge of EUR 31 million and other charges of EUR 10 million.

UPM Energy

UPM Energy operates in power generation and physical and derivatives trading. The business assets consist of UPM's hydro power assets in Finland and shareholdings in energy companies, with total electricity generation capacity of 1,721 MW.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	109	110	132	134	118	101	129	351	348	482
EBITDA, EURm ¹⁾	43	49	58	66	54	45	63	150	162	228
% of sales	39.4	44.5	43.9	49.3	45.8	44.6	48.8	42.7	46.6	47.3
Share of results of associated companies and joint ventures, EURm	-1	-	-	-	-	-	-	-1	-	-
Depreciation, amortisation and impairment charges, EURm	-2	-3	-3	-3	-3	-2	-3	-8	-8	-11
Operating profit, EURm	40	46	55	63	51	43	60	141	154	217
% of sales	36.7	41.8	41.7	47.0	43.2	42.6	46.5	40.2	44.3	45.0
Special items, EURm	-	-	-	-	-	-	-	-	-	-
Operating profit excl. special items, EURm	40	46	55	63	51	43	60	141	154	217
% of sales	36.7	41.8	41.7	47.0	43.2	42.6	46.5	40.2	44.3	45.0
Electricity deliveries, GWh	2,027	2,221	2,513	2,583	2,340	2,158	2,405	6,761	6,903	9,486

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

UPM Raflatac

UPM Raflatac manufactures self-adhesive label materials for product and information labelling.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	307	309	299	301	305	298	298	915	901	1,202
EBITDA, EURm ¹⁾	30	28	26	23	30	31	31	84	92	115
% of sales	9.8	9.1	8.7	7.6	9.8	10.4	10.4	9.2	10.2	9.6
Depreciation, amortisation and impairment charges, EURm	-10	-9	-8	-9	-8	-9	-8	-27	-25	-34
Operating profit, EURm	7	19	18	13	20	22	23	44	65	78
% of sales	2.3	6.1	6.0	4.3	6.6	7.4	7.7	4.8	7.2	6.5
Special items, EURm ²⁾	-15	-	-	-1	-2	-	-	-15	-2	-3
Operating profit excl. special items, EURm	22	19	18	14	22	22	23	59	67	81
% of sales	7.2	6.1	6.0	4.7	7.2	7.4	7.7	6.4	7.4	6.7

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

²⁾ In Q3 2013, special items of EUR 15 million relate to restructuring charges, including impairments of EUR 2 million. In Q4 2012, special items of EUR 1 million relate to restructuring charges. In Q3 2012, special items include restructuring charges of EUR 2 million.

UPM Paper Asia

UPM Paper Asia consists of UPM Changshu paper mill in China and label paper operations in Tervasaari and Jämsänkoski mills in Finland. The production capacity of UPM Paper Asia is 1.5 million tonnes of fine and label papers.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	274	289	277	280	290	285	276	840	851	1,131
EBITDA, EURm ¹⁾	40	42	43	44	43	46	52	125	141	185
% of sales	14.6	14.5	15.5	15.7	14.8	16.1	18.8	14.9	16.6	16.4
Depreciation, amortisation and impairment charges, EURm	-20	-20	-21	-22	-21	-21	-20	-61	-62	-84
Operating profit, EURm	19	22	22	22	22	25	32	63	79	101
% of sales	6.9	7.6	7.9	7.9	7.6	8.8	11.6	7.5	9.3	8.9
Special items, EURm ²⁾	-1	-	-	-	-	-	-	-1	-	-
Operating profit excl. special items, EURm	20	22	22	22	22	25	32	64	79	101
% of sales	7.3	7.6	7.9	7.9	7.6	8.8	11.6	7.6	9.3	8.9
Paper deliveries, 1,000 t	341	354	339	348	343	344	335	1,034	1,022	1,370

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

²⁾ In Q3 2013, special items of EUR 1 million relate to restructuring charges.

UPM Paper ENA

UPM Paper ENA produces magazine paper, newsprint and fine paper in 19 modern paper mills in Europe and North America. The production capacity of UPM Paper ENA is 10.3 million tonnes.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	1,392	1,358	1,365	1,563	1,533	1,558	1,538	4,115	4,629	6,192
EBITDA, EURm ¹⁾	83	34	29	87	91	98	124	146	313	400
% of sales	6.0	2.5	2.1	5.6	5.9	6.3	8.1	3.5	6.8	6.5
Share of results of associated companies and joint ventures, EURm	1	-	-	-	-	-	1	1	1	1
Depreciation, amortisation and impairment charges, EURm	-57	-56	-65	-1,901	-119	-119	-122	-178	-360	2,260
Operating profit, EURm	36	-18	-91	-1,835	-71	0	1	-73	-70	-1,905
% of sales	2.6	-1.3	-6.7	-117.4	-4.6	0.0	0.1	-1.8	-1.5	-30.8
Special items, EURm ²⁾	7	5	-54	-1,800	-43	21	-2	-42	-24	-1,824
Operating profit excl. special items, EURm	29	-23	-37	-35	-28	-21	3	-31	-46	-81
% of sales	2.1	-1.7	-2.7	-2.2	-1.8	-1.3	0.2	-0.8	-1.0	-1.3
Paper deliveries, 1,000 t	2,258	2,181	2,139	2,459	2,375	2,369	2,298	6,578	7,042	9,501

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

²⁾ In Q3 2013, special items include impairment charges of EUR 3 million and a net income of EUR 10 million related to the ongoing restructuring. In Q2 2013, special income of EUR 5 million relate to restructuring measures. In Q1 2013, special items of EUR 54 million relate to restructuring charges. In Q4 2012, special items include impairment charges of EUR 1,771 million, including EUR 783 million related to goodwill and EUR 988 million related to fixed assets in European graphic paper operations. In addition Q4 2012 special items include other restructuring charges of EUR 29 million of which impairment charges EUR 8 million. In Q3 2012, special items include restructuring charges of EUR 41 million related into planned Stracel mill closure and EUR 2 million related to other restructuring measures. In Q2 2012, special items comprise of a net gain of EUR 35 million including a capital gain of EUR 51 million from the sale the packaging paper operations of the Pietarsaari and Tervasaari mills and a charge of EUR 16 million from goodwill allocated to the operations sold, and of other restructuring charges of EUR 14 million related to mill closures. Special items in Q1 2012 include restructuring charges of EUR 2 million.

UPM Plywood

UPM Plywood is capable of producing approximately one million cubic metres of plywood and veneer products in Finland, Russia and Estonia.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	98	111	108	99	94	103	97	317	294	393
EBITDA, EURm ¹⁾	6	12	10	8	2	10	4	28	16	24
% of sales	6.1	10.8	9.3	8.1	2.1	9.7	4.1	8.8	5.4	6.1
Depreciation, amortisation and impairment charges, EURm	-5	-5	-6	-6	-5	-6	-5	-16	-16	-22
Operating profit, EURm	1	7	4	2	-3	4	-1	12	0	2
% of sales	1.0	6.3	3.7	2.0	-3.2	3.9	-1.0	3.8	0.0	0.5
Special items, EURm	-	-	-	-	-	-	-	-	-	-
Operating profit excl. special items, EURm	1	7	4	2	-3	4	-1	12	0	2
% of sales	1.0	6.3	3.7	2.0	-3.2	3.9	-1.0	3.8	0.0	0.5
Plywood deliveries, 1,000 t	169	191	186	169	165	175	170	546	510	679

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

Other operations

Other operations include forests and wood sourcing, the wood plastic composite unit UPM ProFi, new business development and Group services.

	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales, EURm	117	128	125	134	123	141	142	370	406	540
EBITDA, EURm ¹⁾	-1	-2	-10	-2	2	2	-1	-13	3	1
Change in fair value of biological assets and wood harvested, EURm	8	8	4	23	10	-2	-1	20	7	30
Share of results of associated companies and joint ventures, EURm	1	-	-	-2	1	-	-	1	1	-1
Depreciation, amortisation and impairment charges, EURm	-3	-3	-4	-3	-4	-3	-4	-10	-11	-14
Operating profit, EURm	1	1	-17	14	2	-3	0	-15	-1	13
Special items, EURm ²⁾	-4	-2	-7	-3	-7	-	6	-13	-1	-4
Operating profit excl. special items, EURm	5	3	-10	17	9	-3	-6	-2	0	17

¹⁾ EBITDA is operating profit before depreciation, amortisation and impairment charges, excluding the change in fair value of biological assets and wood harvested, the share of results of associated companies and joint ventures, and special items.

²⁾ In Q3 2013, special items of EUR 4 million relate to restructuring of global functions. In Q2 2013, special items of EUR 2 million relate to restructuring charges. In Q1 2013, special items of EUR 7 million relate to restructuring charges mainly related to the streamlining of global functions. In Q4 2012, special items of EUR 3 million relate to restructuring charges. In Q3 2012, special items include restructuring charges of EUR 7 million. In Q2 2012, special items include restructuring charges of EUR 13 million, reimbursement of fine of EUR 6 million, and a sales price adjustment of EUR 7 million from the sale of RFID business. In Q1 2012, special items include a capital gain of EUR 5 million from the sale of RFID business and an income of EUR 1 million from restructuring measures.

Capital employed by segment

EURm	30.9.2013	31.12.2012
UPM Biorefining	2,794	2,772
UPM Energy	2,926	2,890
UPM Rafflatac	531	525
UPM Paper Asia	873	886
UPM Paper ENA	2,643	2,798
UPM Plywood	274	293
Other operations	1,546	1,527
Eliminations and reconciliations	-248	-88
Capital employed, total	11,339	11,603

Quarterly segment information

EURm	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q1-Q3/13	Q1-Q3/12	Q1-Q4/12
Sales										
UPM Biorefining	484	512	495	468	477	512	513	1,491	1,502	1,970
UPM Energy	109	110	132	134	118	101	129	351	348	482
UPM Raflatac	307	309	299	301	305	298	298	915	901	1,202
UPM Paper Asia	274	289	277	280	290	285	276	840	851	1,131
UPM Paper ENA	1,392	1,358	1,365	1,563	1,533	1,558	1,538	4,115	4,629	6,192
UPM Plywood	98	111	108	99	94	103	97	317	294	393
Other operations	117	128	125	134	123	141	142	370	406	540
Internal sales	-283	-292	-297	-297	-329	-350	-382	-872	-1,061	-1,358
Eliminations and reconciliations	-26	-5	-30	-25	-16	-16	-3	-61	-35	-60
Sales, total	2,472	2,520	2,474	2,657	2,595	2,632	2,608	7,466	7,835	10,492
EBITDA										
UPM Biorefining	100	128	107	77	94	119	101	335	314	391
UPM Energy	43	49	58	66	54	45	63	150	162	228
UPM Raflatac	30	28	26	23	30	31	31	84	92	115
UPM Paper Asia	40	42	43	44	43	46	52	125	141	185
UPM Paper ENA	83	34	29	87	91	98	124	146	313	400
UPM Plywood	6	12	10	8	2	10	4	28	16	24
Other operations	-1	-2	-10	-2	2	2	-1	-13	3	1
Eliminations and reconciliations	10	-33	21	14	-3	-26	-17	-2	-46	-32
EBITDA, total	311	258	284	317	313	325	357	853	995	1,312
Operating profit (loss)										
UPM Biorefining	73	102	68	47	55	42	61	243	158	205
UPM Energy	40	46	55	63	51	43	60	141	154	217
UPM Raflatac	7	19	18	13	20	22	23	44	65	78
UPM Paper Asia	19	22	22	22	22	25	32	63	79	101
UPM Paper ENA	36	-18	-91	-1,835	-71	0	1	-73	-70	-1,905
UPM Plywood	1	7	4	2	-3	4	-1	12	0	2
Other operations	1	1	-17	14	2	-3	0	-15	-1	13
Eliminations and reconciliations	10	-33	22	15	-3	-25	-16	-1	-44	-29
Operating profit (loss), total	187	146	81	-1,659	73	108	160	414	341	-1,318
% of sales	7.6	5.8	3.3	-62.4	2.8	4.1	6.1	5.5	4.4	-12.6
Special items in operating profit										
UPM Biorefining	6	5	-2	-1	-1	-41	-	9	-42	-43
UPM Energy	-	-	-	-	-	-	-	-	-	-
UPM Raflatac	-15	-	-	-1	-2	-	-	-15	-2	-3
UPM Paper Asia	-1	-	-	-	-	-	-	-1	-	-
UPM Paper ENA	7	5	-54	-1,800	-43	21	-2	-42	-24	-1,824
UPM Plywood	-	-	-	-	-	-	-	-	-	-
Other operations	-4	-2	-7	-3	-7	-	6	-13	-1	-4
Special items in operating profit, total	-7	8	-63	-1,805	-53	-20	4	-62	-69	-1,874
Operating profit (loss) excl. special items										
UPM Biorefining	67	97	70	48	56	83	61	234	200	248
UPM Energy	40	46	55	63	51	43	60	141	154	217
UPM Raflatac	22	19	18	14	22	22	23	59	67	81
UPM Paper Asia	20	22	22	22	22	25	32	64	79	101
UPM Paper ENA	29	-23	-37	-35	-28	-21	3	-31	-46	-81
UPM Plywood	1	7	4	2	-3	4	-1	12	0	2
Other operations	5	3	-10	17	9	-3	-6	-2	0	17
Eliminations and reconciliations	10	-33	22	15	-3	-25	-16	-1	-44	-29
Operating profit (loss) excl. special items, total	194	138	144	146	126	128	156	476	410	556
% of sales	7.8	5.5	5.8	5.5	4.9	4.9	6.0	6.4	5.2	5.3



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