



The Biofore Company

UPM

UPM ENERGY HIGH PERFORMING ENERGY BUSINESS

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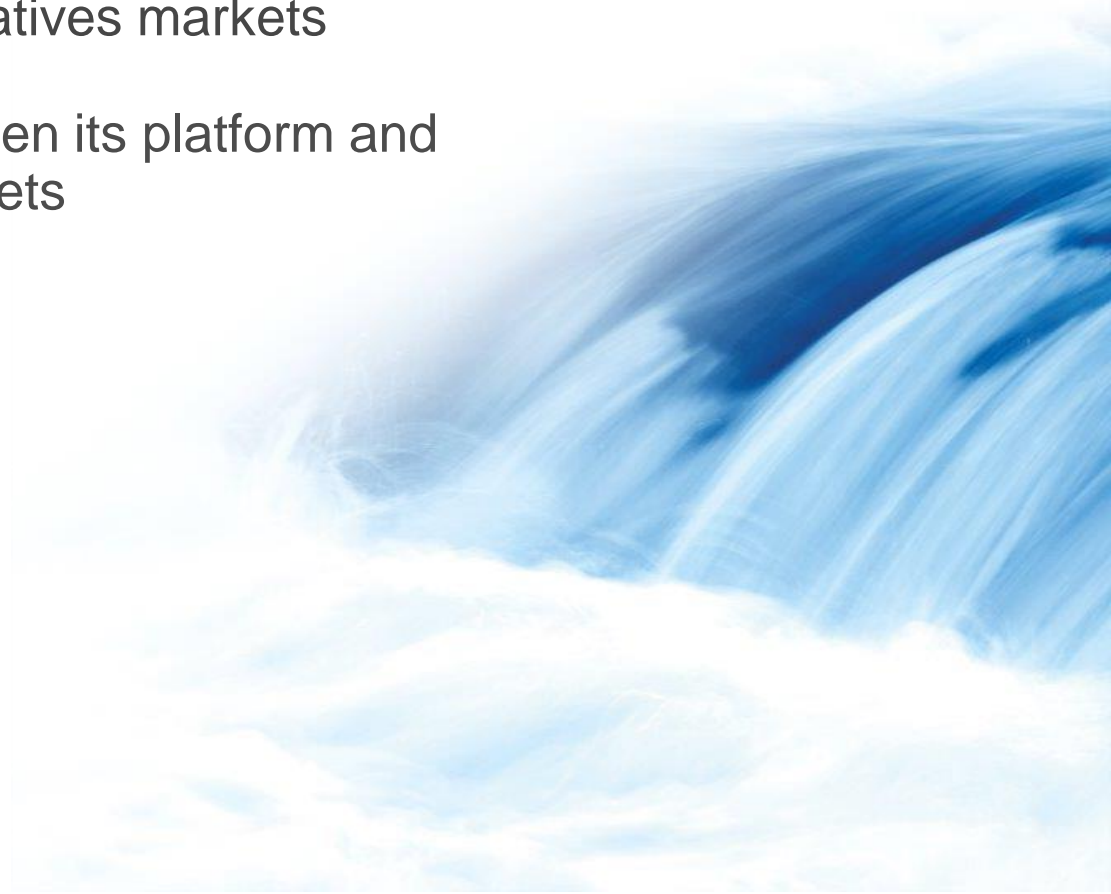


A versatile set-up of cost competitive low-emission power generation plants in Finland

Trading in physical and derivatives markets

UPM Energy aims to strengthen its platform and crystallise the value of its assets

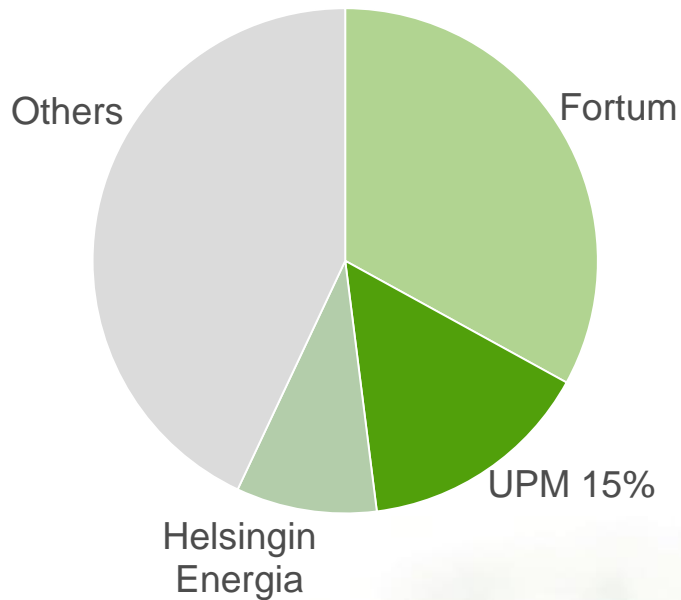
UPM Energy	2013 (EURm)
Sales	466
EBITDA	198
EBITDA, %	43%
ROCE, %	7%



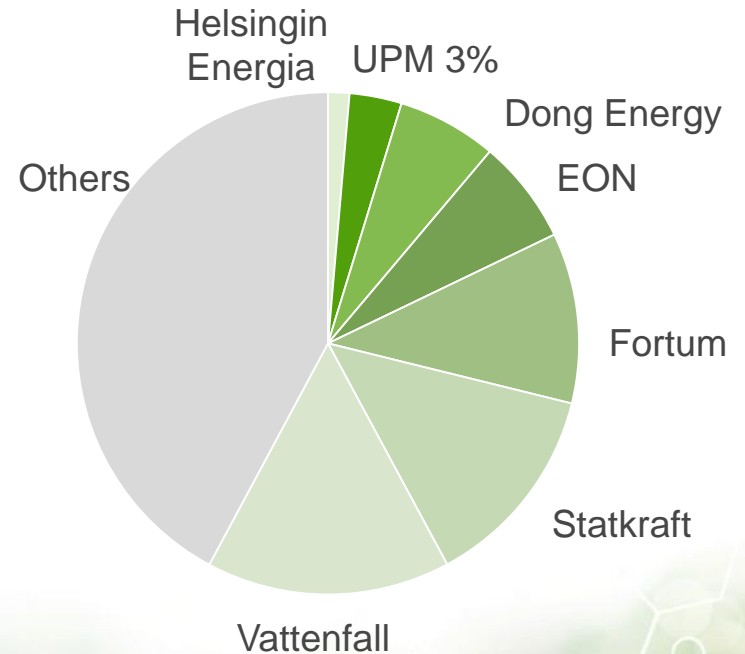
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UPM has succeed in building the second largest Energy business in Finland

Finland



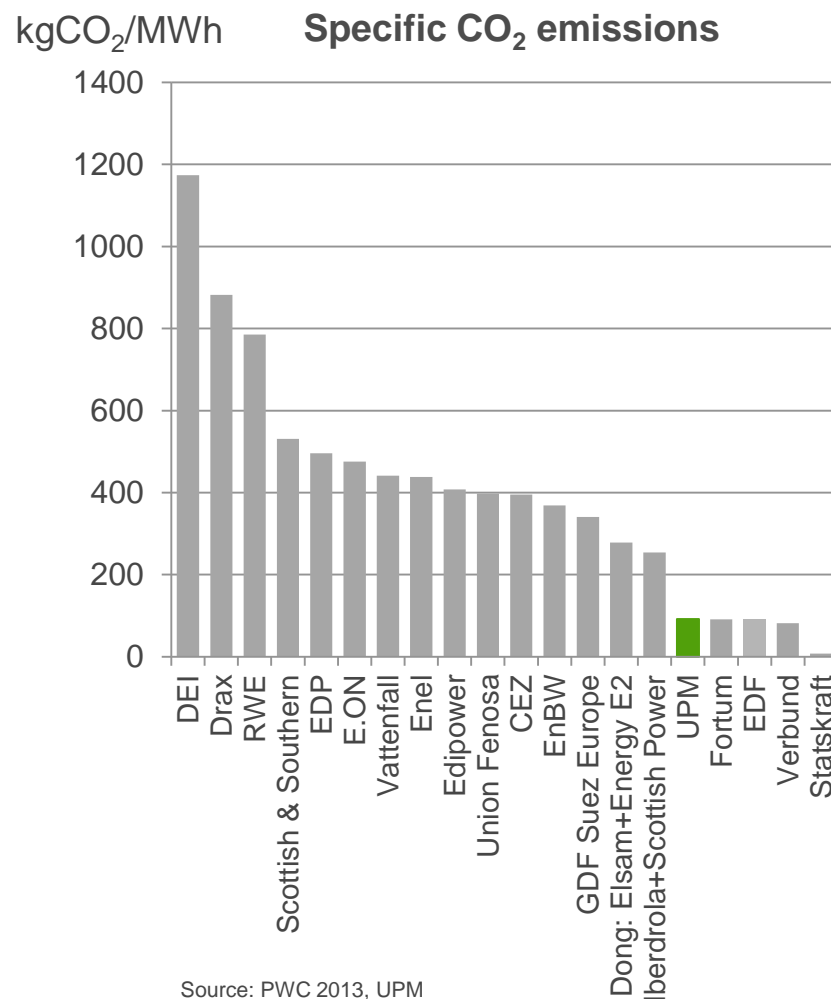
Nordic



Cost competitive low-emission electricity generation

Electricity generation capacity in 2013

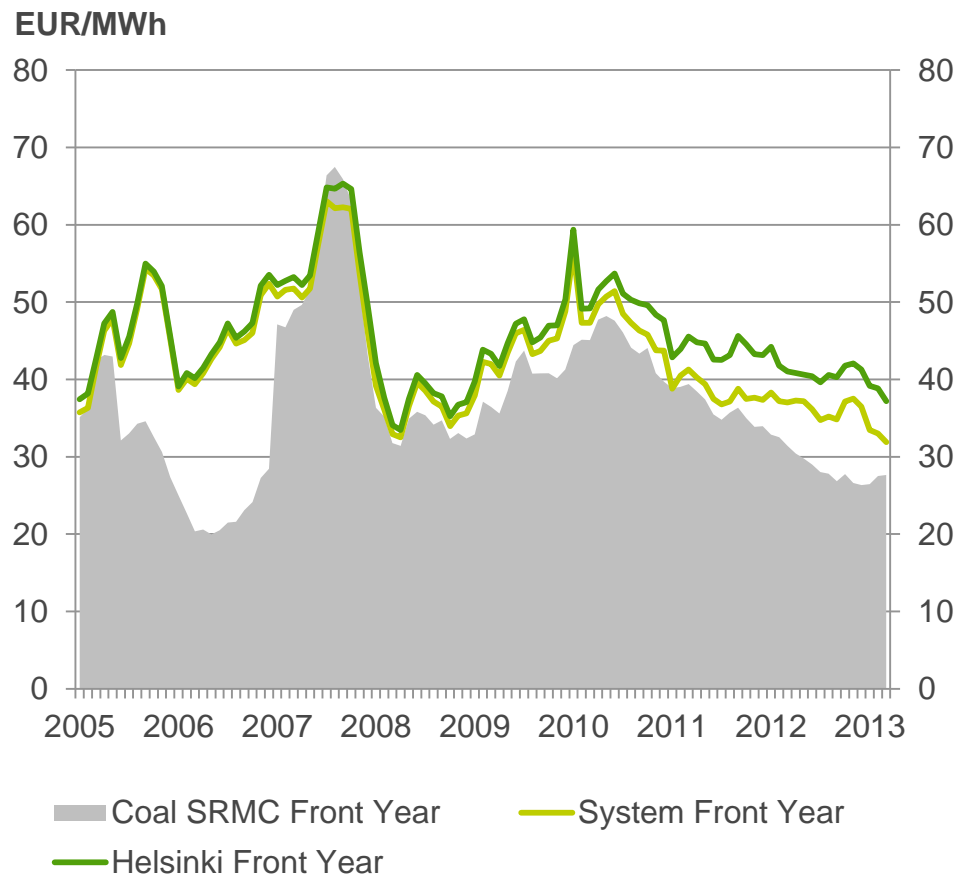
Type	Nominal capacity MW
Hydropower	708
Nuclear power	581
Condensing power	302
Wind power	1
Total in UPM Energy	1,610



Source: PWC 2013, UPM

Price development in Nordic and Helsinki power markets

- Commodity prices under pressure due to oversupply, i.e. coal and CO₂
- Hydrological balance determines spread between Nordic and Central Europe
- Growing Nordic capacity in renewables and weak power demand
- Interconnectors to Central Europe and Russia manage supply / demand balance



Source: Reuters

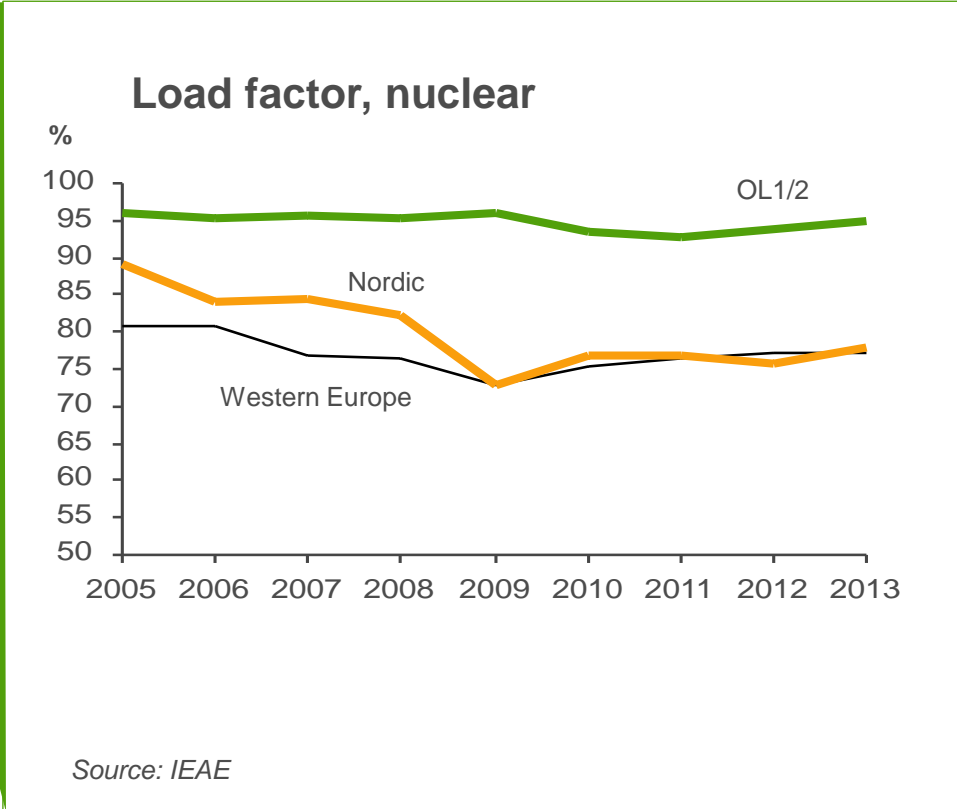
Strong profitability from low cost units

Further improvement potential

Strengthening UPM Energy BA platform

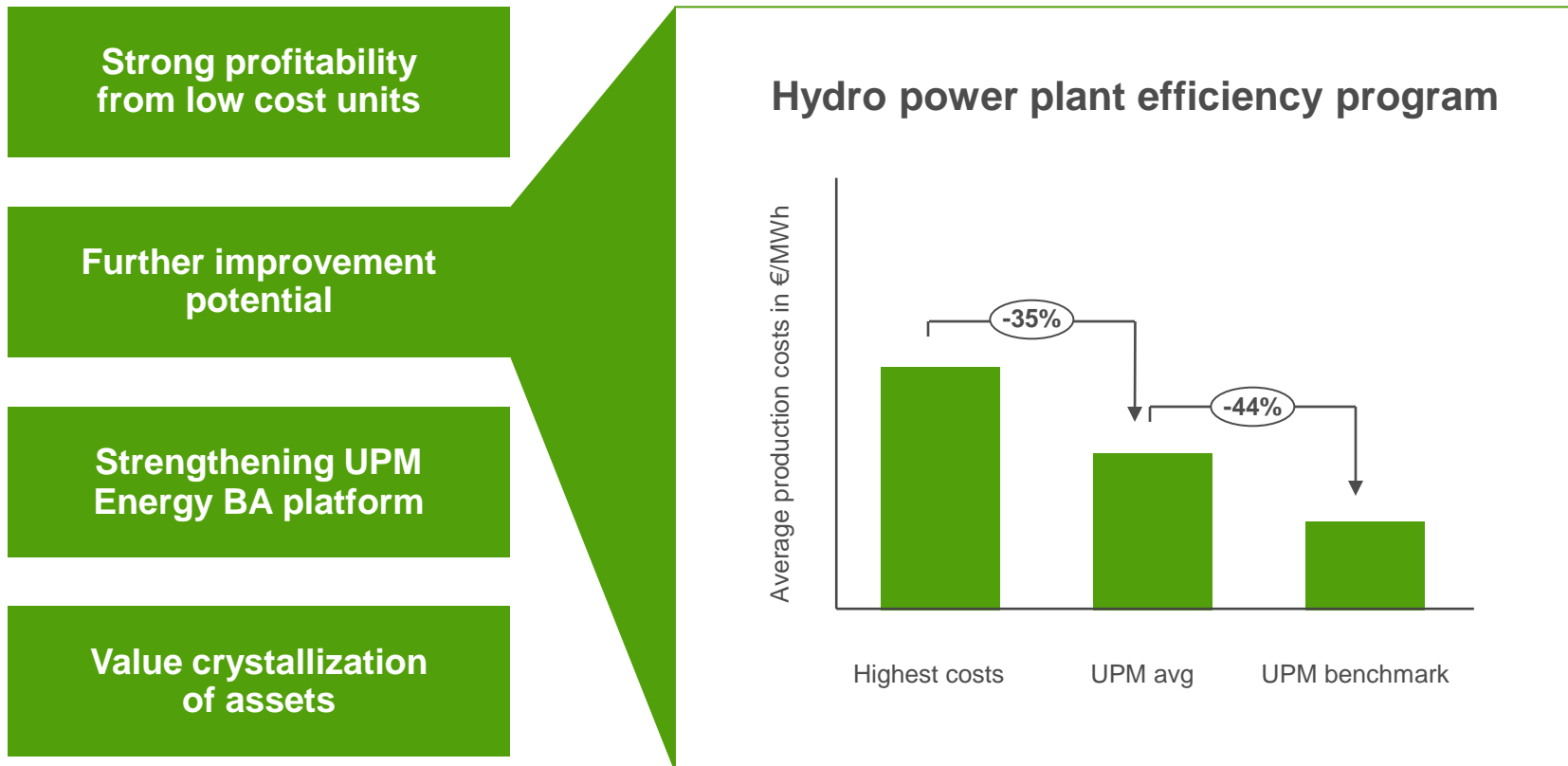
Value crystallization of assets

- Strong profitability from low cost units
- Further improvement potential
- Strengthening UPM Energy BA platform
- Value crystallization of assets



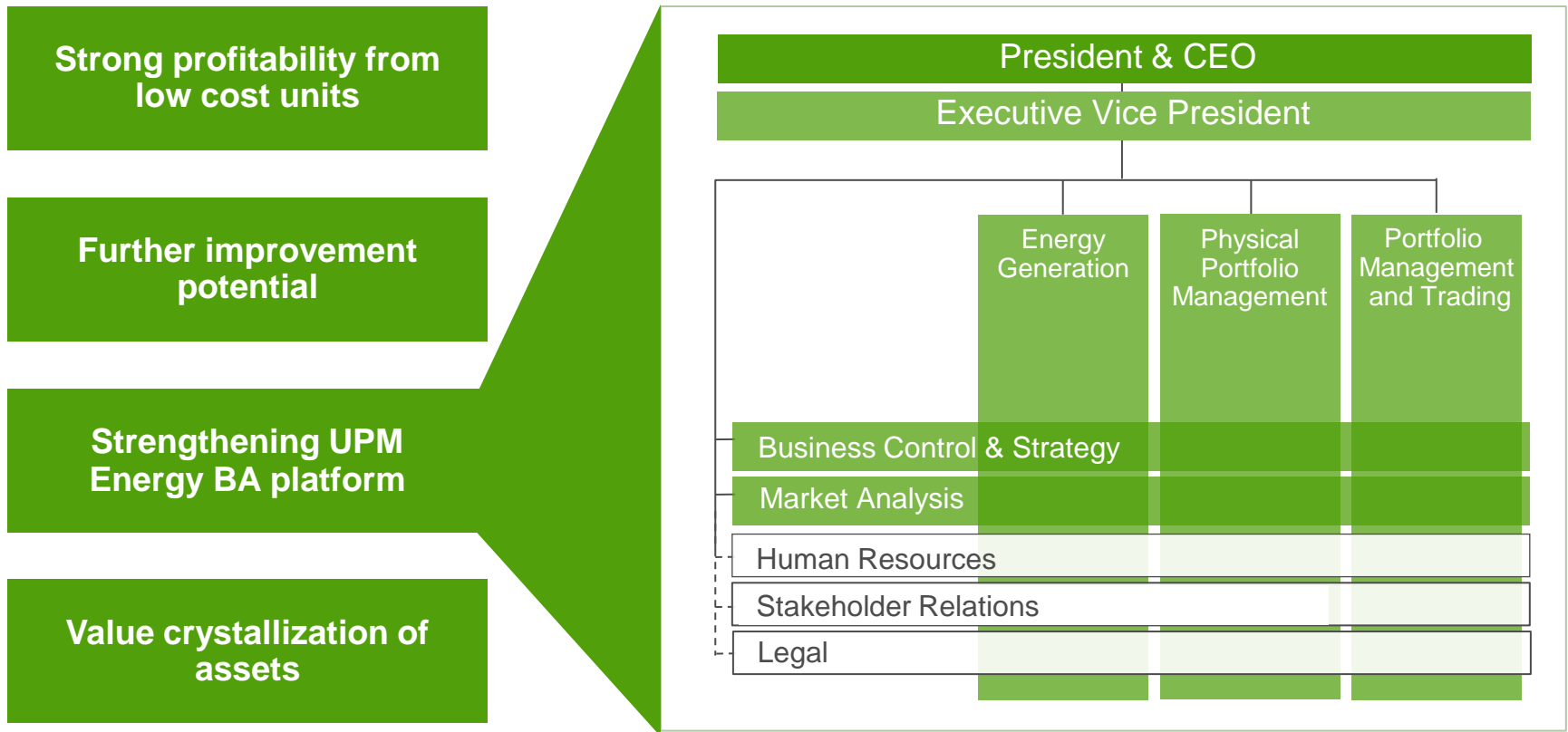
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Further improvement potential in hydro power generation



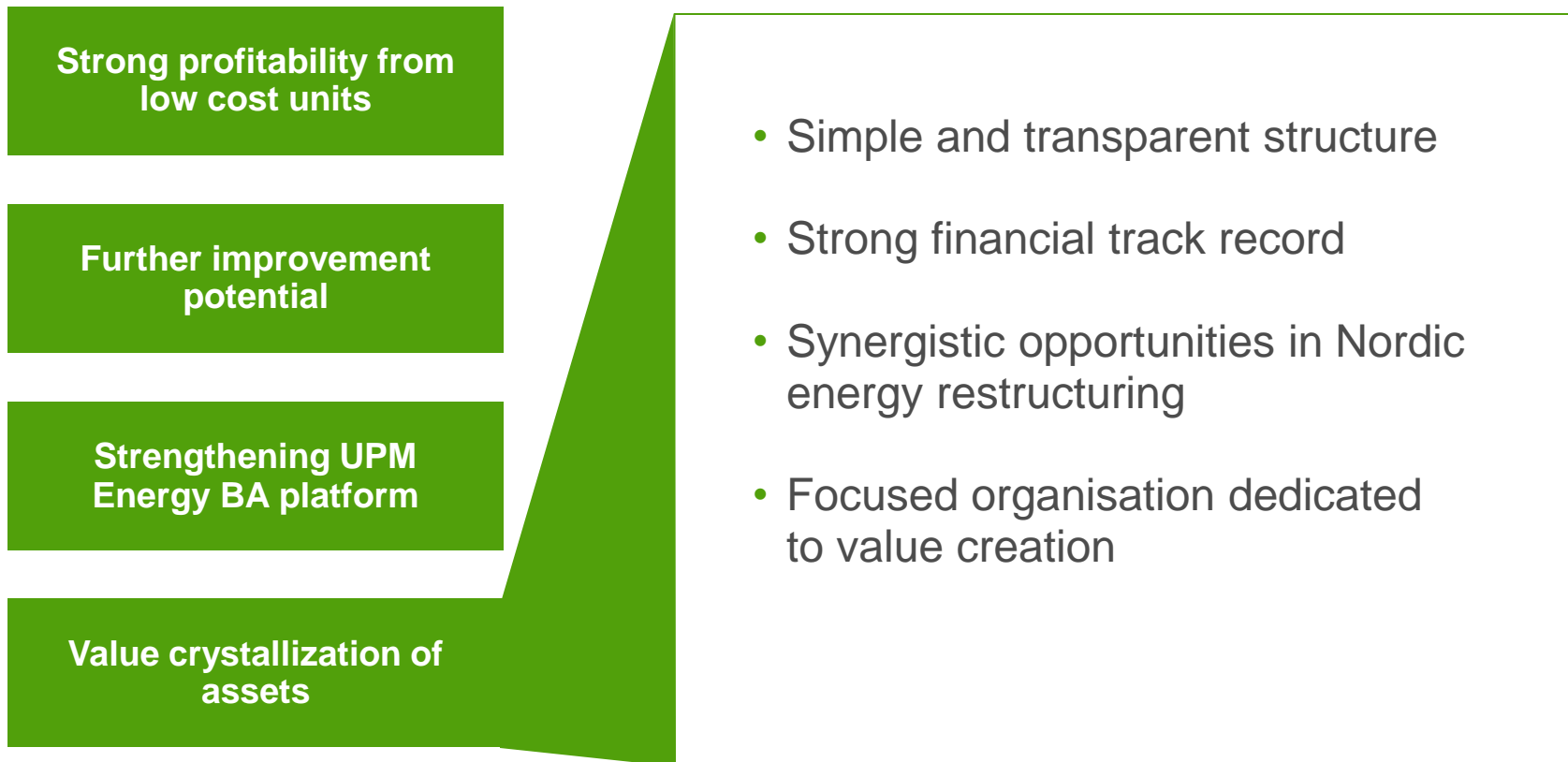
UPM Energy Platform is ready

Focused organisation dedicated to value creation



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Value creation of energy assets





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