



The Biofore Company **UPM**

UPM PLYWOOD IMPROVING OPERATIONAL AND CUSTOMER FOCUS

Executive Vice President
Mika Sillanpää



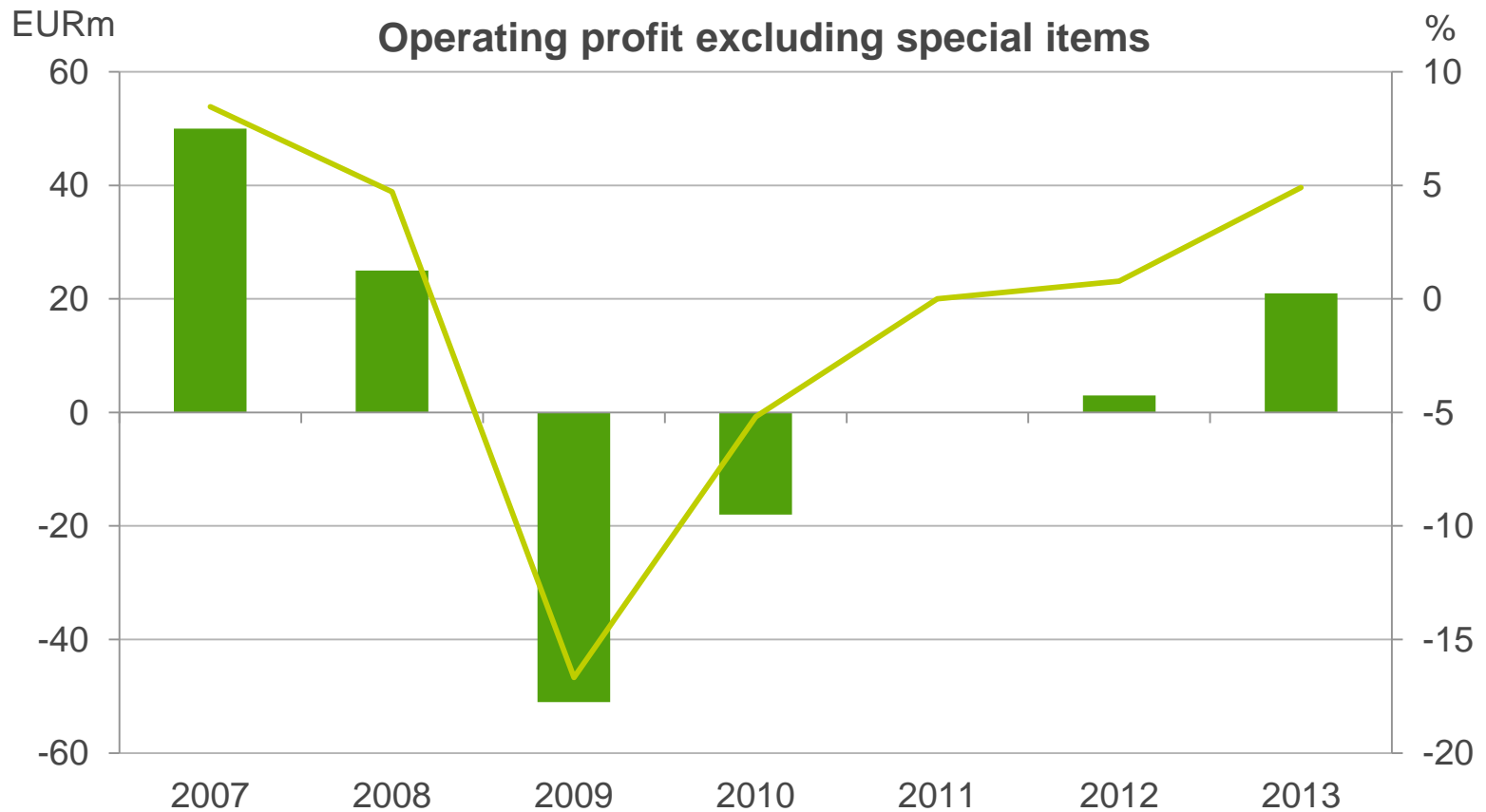
Plywood and veneer products for building and construction, and industrial applications such as transportation equipment

Growth in demanding end-use segments

Increased value offering and service packages for selected end-use segments

| UPM Plywood | 2013 (EURm) |
|--------------------|------------------------|
| Sales | 429 |
| EBITDA | 43 |
| EBITDA, % | 10% |
| ROCE, % | 7% |

Profitability turnaround achieved in challenging economic environment

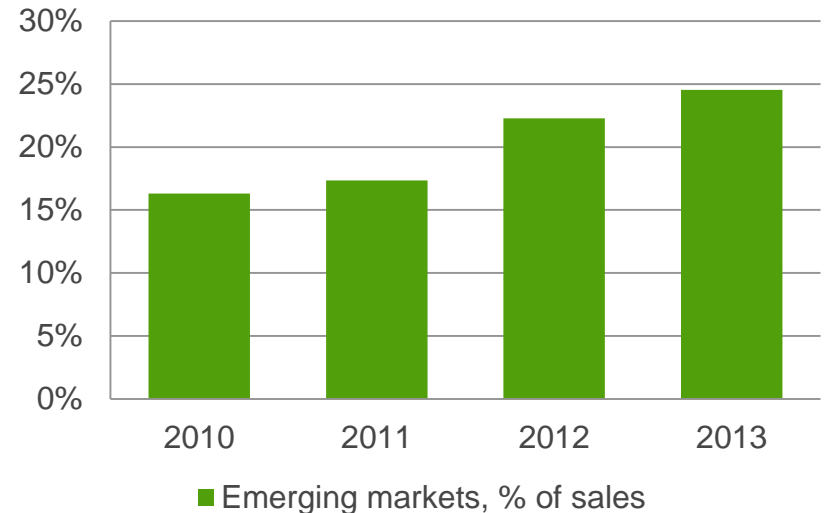
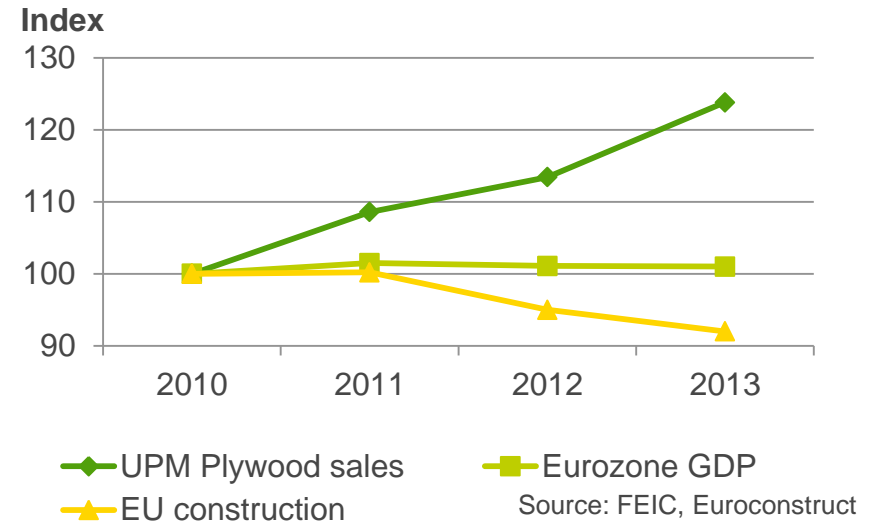


UPM Plywood

UPM Plywood's renewed commercial strategy paying off



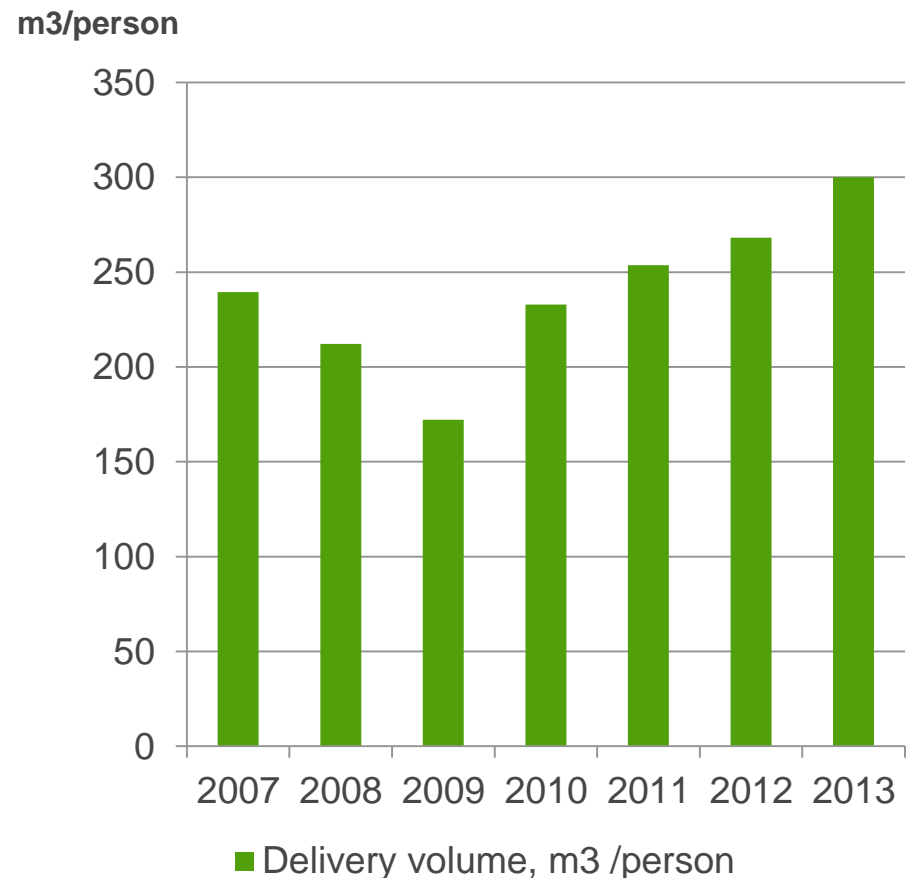
- Continued weak markets in Europe
- Improvement in UPM Plywood's sales
 - Renewed commercial strategy and improved customer focus
 - Growth in demanding end-use segments such as the LNG industry



Strict cost control and focused cost reduction initiatives

- Restructuring and streamlining of headquarter operations and international sales organisation
- New maintenance model
- Production partly reorganised through mill closures
- Improved production efficiency

Improved productivity



Performance has improved steadily through own actions

- 2013

- Restructuring and streamlining actions
- Divestments
- Rigid cost control
- Improved production efficiency
- Renewed commercial strategy and improved customer focus

2014 -

- Customer focus
- Continuing LNG focus
- WISA® Bonded trailer floor solutions
- Operational efficiency
- Permanent cost efficiency improvement in variable costs
- Further improvement in safety



UPM

The Biofore
Company