

The background of the slide is a photograph of an ice cave. The walls and ceiling are covered in large, translucent blue ice formations. In the center, there is a small, glowing orange and yellow fire display. The overall lighting is dim, with the primary light source being the fire and the ambient light from the ice.

A Letter of Intent Regarding Metsä-Botnia Ownership Structure

Scope of the Presentation

- M-real, Metsäliitto Cooperative and UPM-Kymmene have signed a letter of intent that sets forth the main principles of the transaction
- Please note, that we are inside the closed window period. Comments regarding recent profitability development can not be made
- 2Q 2009 result will be announced on 23 July. Related webcast will be held the same day at 15 EET

M-real to Receive EUR 300 million Cash From the Divestment of Metsä-Botnia Uruguay Operations

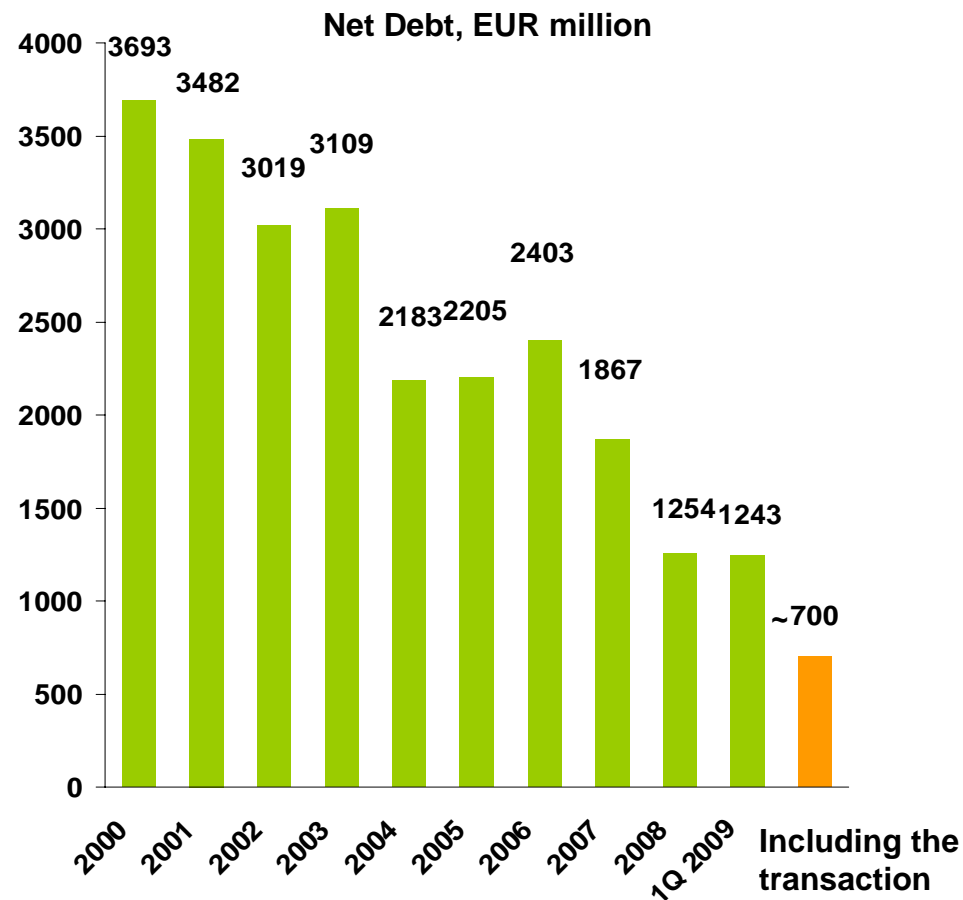
- M-real's resource company Metsä-Botnia plans to divest its operations in Uruguay to UPM-Kymmene
 - Letter of intent signed on 15 July
 - Authorized by independent members of M-real Board
 - Handelsbanken Capital Markets has provided a fairness opinion
 - Castren & Snellman acting as the legal advisor
- Additionally, Metsä-Botnia intends to sell 1.2 %-units of its Pohjolan Voima ownership to UPM-Kymmene
- Expected cash proceeds for M-real EUR 300 million
- Closing expected in 4Q 2009, subject to Board approvals, signing of final agreements, financing arrangements and competition authorities' approval
- New planned Metsä-Botnia ownership structure: Metsäliitto Cooperative 53 %, M-real 30 %, UPM-Kymmene 17 %

Significant Positive Financial Impact for M-real

- Intention to change the way to consolidate Metsä-Botnia in M-real's accounting from line by line to equity method
- Total net debt reduction EUR 550 million
 - EUR 300 million cash proceeds
 - Decrease in the consolidated net debt by EUR 250 million
- Annual sales reduction about EUR 250 million

M-real's Positive Net Debt Development Continues

- M-real's balance sheet and financing situation strengthening considerably
 - Net debt reduction of about EUR 550 million
 - Net gearing reduction of about 40 %-units
 - Equity ratio improvement of about 3 %-units



Divestment of Uruguay Operations in Line with M-real's Strategy

- Finnish high-quality pulp the main raw material for M-real's strategic core Consumer Packaging
 - Eucalyptus pulp not used in cartonboard
- Divestment of Graphic Papers at the end of 2008 reduced the need for eucalyptus pulp considerably
- Paper business strategic review continues
 - Possibly reducing short fibre pulp consumption further
- After the transaction pulp consumption and production in balance
 - Pulp self-sufficiency very important in the long run

Q&A