

A hummingbird with iridescent green and white feathers is shown in flight, hovering over several rectangular boxes. The boxes are decorated with a pattern of pink orchids. The background is a soft, light green gradient.

# M-real New Profit Improvement Measures

16 December 2009

# 2010 Result Expected to Be Boosted by EUR 100 million Due to Own Measures

Profit impact vs. 2009, m€	total target	Cumulative	
		2010	2011
1 Profit improvement programme 2010	80	40	80
2 Rollover impact of 2009 programme	60	50	60
3 Rollover impact of 2008 programme	20	10	20
<b>Total</b>	<b>160</b>	<b>100</b>	<b>160</b>

- Total value of the new 2010 programme's actions EUR 80 million
- Profit improvement in 2010 expected to be somewhat emphasised to 2H 2010
- Related cash costs determined later on when negotiations with employee unions finalized

# New 3-year IT Service Contract Signed on 3 December 2009 with Tieto Corporation

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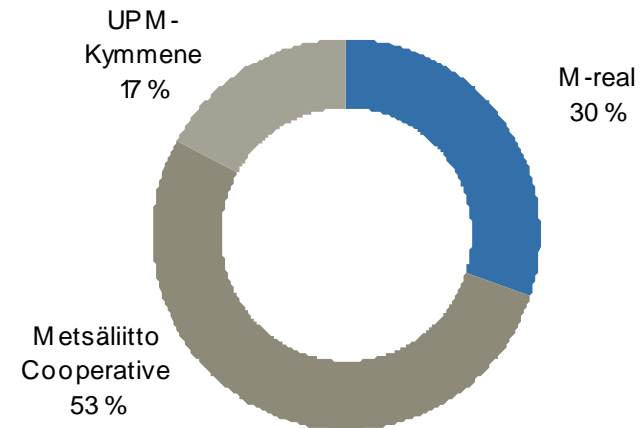
- Size of M-real's operations has significantly decreased since the existing IT contract was signed in 2003
- New cost efficient and flexible service package for the renewed structure of M-real
- Annual cost savings of EUR 30 million from 2010 onwards
  - Part of 2009 profit improvement programme announced earlier
- Related non-recurring cost provision of about EUR 12 million booked in 4Q 2009

# Metsä-Botnia Uruguay Transaction Closed on 8 December 2009

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- Eucalyptus pulp no longer strategic raw material for M-real
- M-real's pulp consumption and production to balanced situation
- M-real's net debt reduction EUR 500 million including EUR 300 million cash

**New Metsä-Botnia Ownership Structure**



# New Profit Improvement Plans in Speciality Papers Business Area Announced on 9 December 2009

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- Planned closures of Reflex speciality paper machines 1 and 5
  - Capacity about 80 ktons/a
- Planned streamlining of the organizations in M-real Zanders
- Carbonless paper production planned to be transferred to Gohrsmühle and converting will remain in Reflex
- Implementation of the planned measures to occur during 1H 2010
- Product offering and supply capability of M-real Zanders to remain unchanged

# Alizay Pulp Mill Planned to Be Permanently Closed

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- Alizay pulp mill has been temporarily shut down since March 2009
- The pulp mill has for a long time been unprofitable despite several efficiency improvement programmes
- Technically the pulp mill is not anymore competitive
  - Challenges with pulp quality
  - Would require major investments
- Alizay paper production focused on recycled fibre based products
- Office Papers 4Q 2009 result to include EUR 31 million write offs
- Negotiations with the employee unions end latest in July 2010

# Significant Investments at Husum Mill Improving Energy Efficiency

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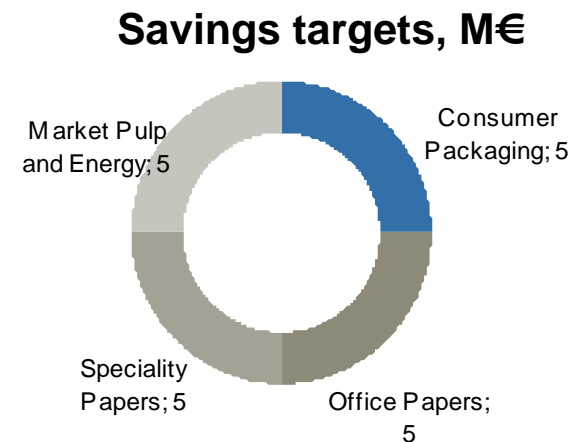
- Husum energy efficiency investment, including a new turbine, expected to total EUR 22 million with a significant profit improvement
- Investment and related measures expected to improve the electricity self-sufficiency of the Husum site from 30% to 50 %
- The investment will be completed by the end of 2010



# Additional Internal Continuous Improvement Programme Covering All Business Areas

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- New EUR 20 million internal profit improvement programme for 2010
- Measures based on continuous improvement principles
- Targets evenly split between the business areas
- Measures include both variable and fixed cost saving



# Last Quarter in 2009 Expected to be Clearly Better Than the First Two Quarters

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- Consumer Packaging's strong performance continued
  - Positive price development expected
- Uncoated fine paper demand improving
  - Prices stabilized and first signs of price increases notable
- Speciality paper demand still below normal but improving gradually
  - Prices expected to remain stable
- Market Pulp and Energy's situation strengthening due to pulp price increases and higher operating rates





**Thank You!**  
**Q&A**