

A hummingbird with iridescent green and white feathers is shown in flight, hovering over a cluster of four rectangular boxes. The boxes are decorated with a pattern of pink orchids. The background is a soft, light green gradient. The text 'M-real Results 3Q 2009' is overlaid on the lower-left portion of the image.

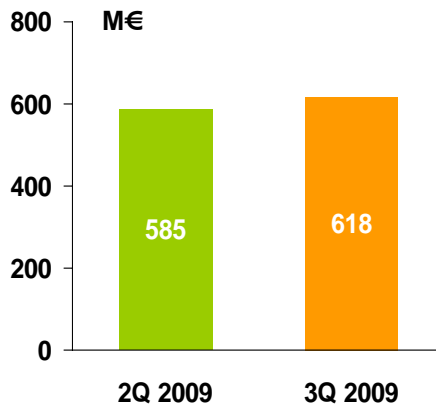
M-real
Results 3Q 2009

Key Events in 3Q 2009

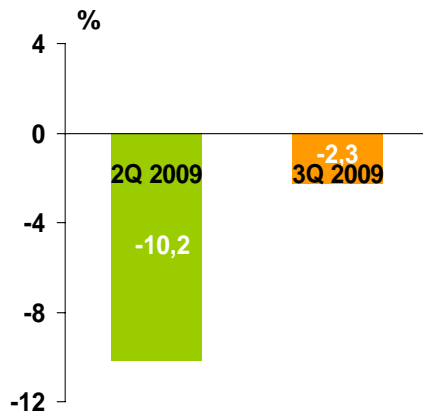
- Operating cash flow 49 M€ in 1-3Q 2009
- Consumer Packaging operating result exceeded 12% of sales
- Operating rates improved, especially in packaging boards
- Announced price increase for linerboard and for FBB
- Pulp price continued to increase
- Successful major rebuild of Husum pulp mill boilers
- Divestment of Metsä-Botnia Uruguayan operations
- 190 M€ vendor loan repayment by Sappi

Key Figures – Quarterly

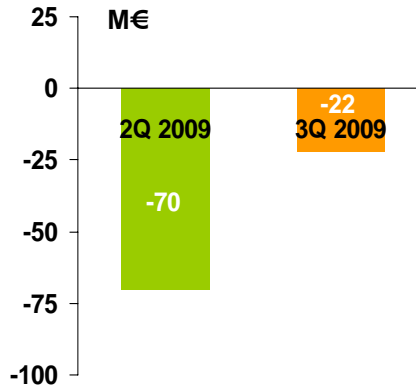
Sales



ROCE



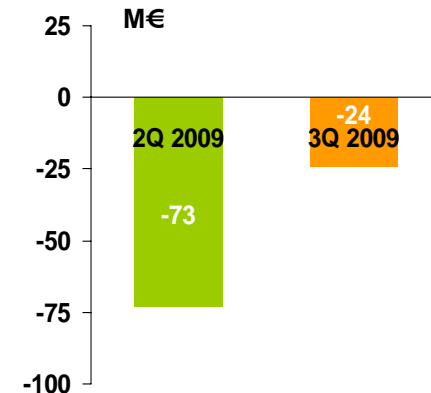
**Operating Result
excl. non-rec. items**



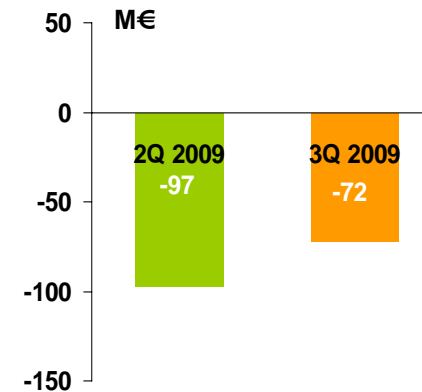
**Result before taxes
excl. non-rec. items**



Operating Result



Result before taxes



Operating Cash Flow 49 M€ in 1-3Q 2009

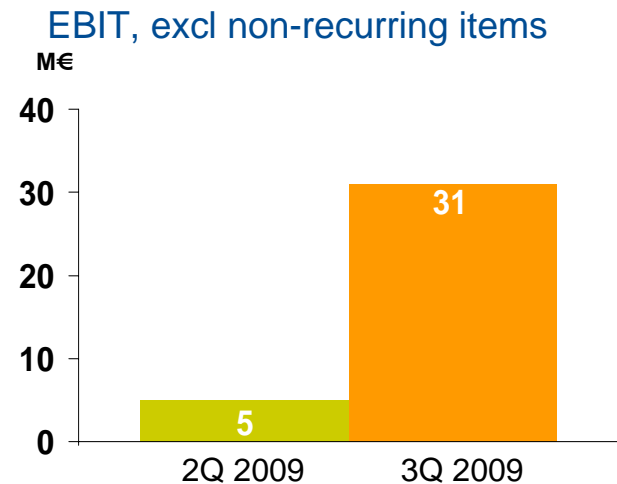
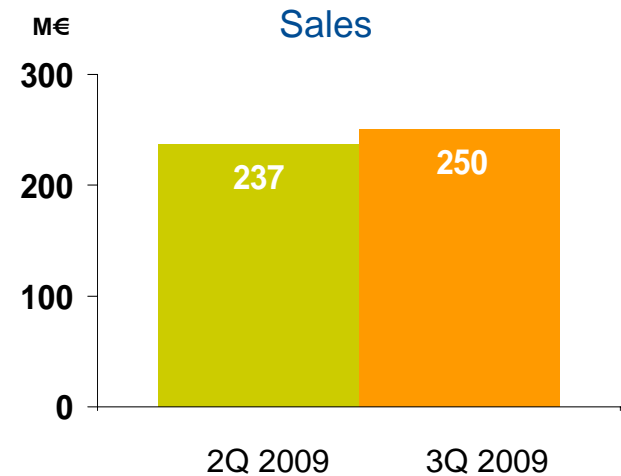
	M€
EBITDA*, excluding non-recurring items	-7
Change in ONWC**	+159
Net investments	-48
Net financial items	-55
Operating cash flow	+49

*Includes about EUR 30 million extraordinary operating costs related mainly to production portfolio changes and restructuring

** Inventories, trade accounts receivables and trade accounts payables including implemented restructuring measures

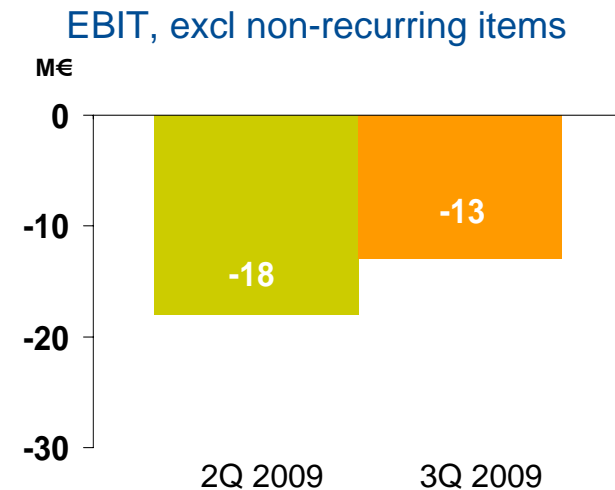
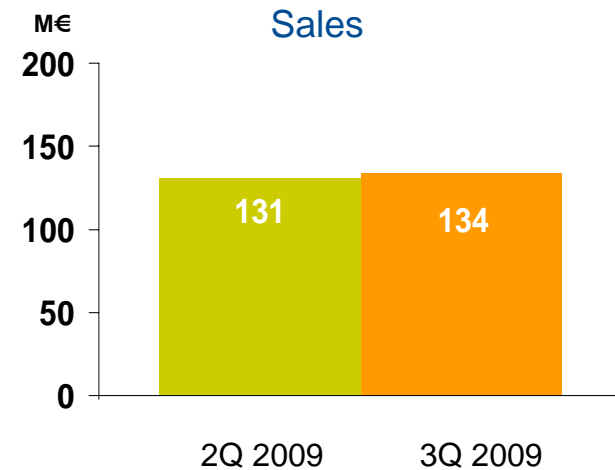
Consumer Packaging's Result Improved Clearly

- Profitability improved mainly by increased delivery volumes and implemented profit improvement measures
- Price increases for linerboard and for FBB in UK proceeds
- FBB price increase of 70€/ton announced in other European markets
- Demand for FBB seems to continue good. Linerboard demand is also improving
- Due to global recession ability to forecast is weak



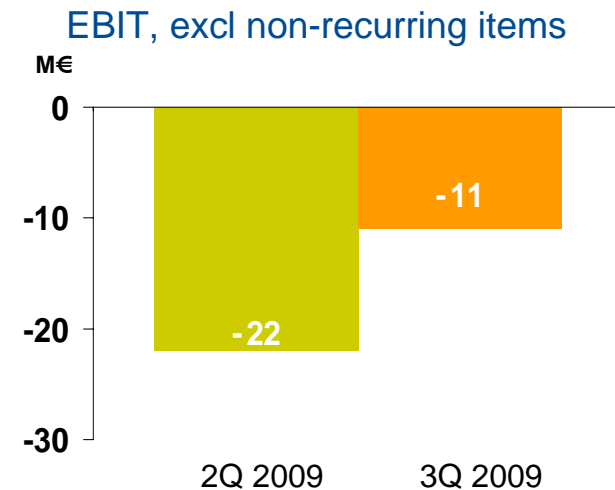
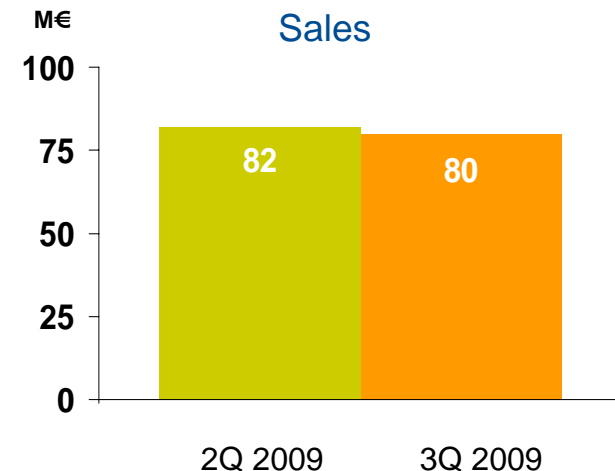
Office Papers to Benefit from Good Development in Husum Pulp Mill

- Profitability improved by increased delivery volumes, good progress in Husum pulp and cost savings actions
- Profitability negatively affected by declined paper prices
- Major rebuild of Husum pulp mill boilers completed as planned
- Operating rates in Alizay paper approaching normal level thanks to intensified sales measures
- M-real's operating rates reasonably good, but European oversupply maintains price pressure
- Alizay pulp mill standstill continues at least until year end



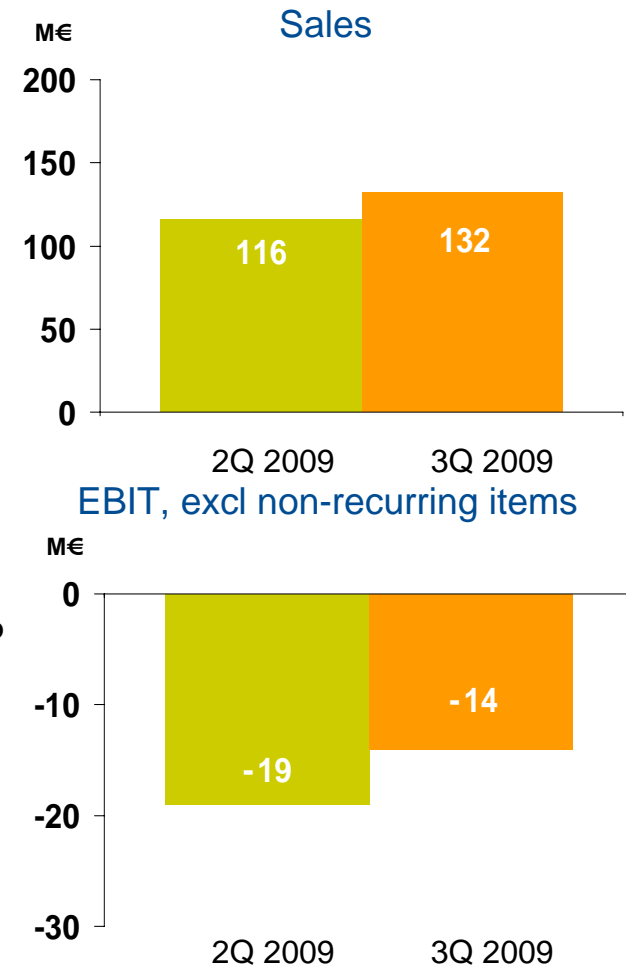
Significant Extraordinary Costs Burdened Speciality Papers' Result

- Profitability in 2009 suffering from extraordinary operating costs related to Hallein paper mill closure and Gohrsmühle restructuring
- These extraordinary operating costs account for about half of the total loss this year
- M-real Zanders' change of business concept proceeds and new efficiency measures are being planned
- Demand unchanged, but thanks to own measures operating rates are improving
- Speciality paper prices have been stable, but WFU price has decreased



Improving Pulp Cycle Boosting Market Pulp and Energy's Profitability

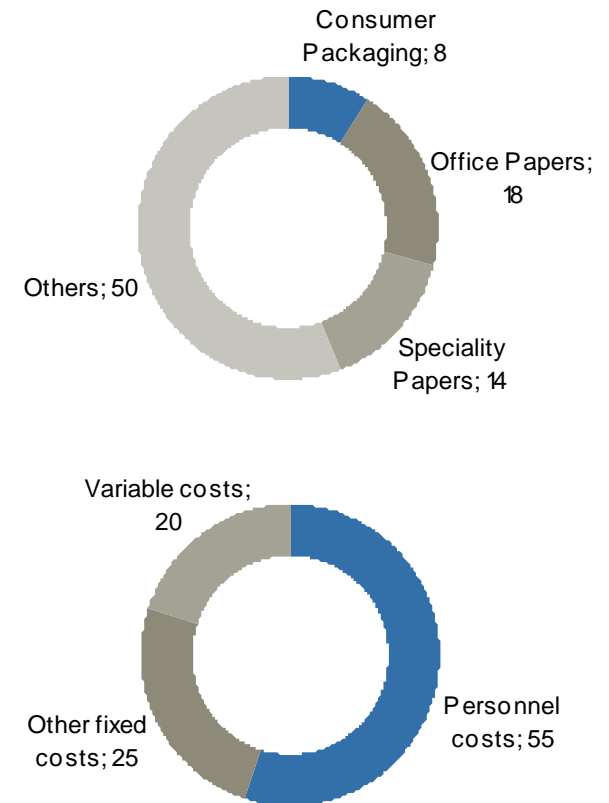
- Profitability improved by increased pulp price and lower wood costs
- Weaker USD curtailed the positive impact of the price increase
- Pulp price increase and wood cost decrease expected to continue in 4Q
- Hallein pulp mill's profitability secured by the baling line and turbine investments
- Intensified actions proceeding to increase Kaskinen BCTMP sales volumes
- North American subsidies put European pulp producers in an intolerable competitive situation. EU level action needed



Increase of Targets for Profit Improvement and Cash Flow 2009 Programmes

- Profit improvement target raised from 80 M€ to 90 M€ mainly resulting from decrease of IT and personnel costs
- Profit impact in 2009 estimated to be 25-30 M€
- Full annual effect visible from 2011
- Cash flow 2009 improvement target raised from 60 M€ to 80 M€

Savings targets, M€

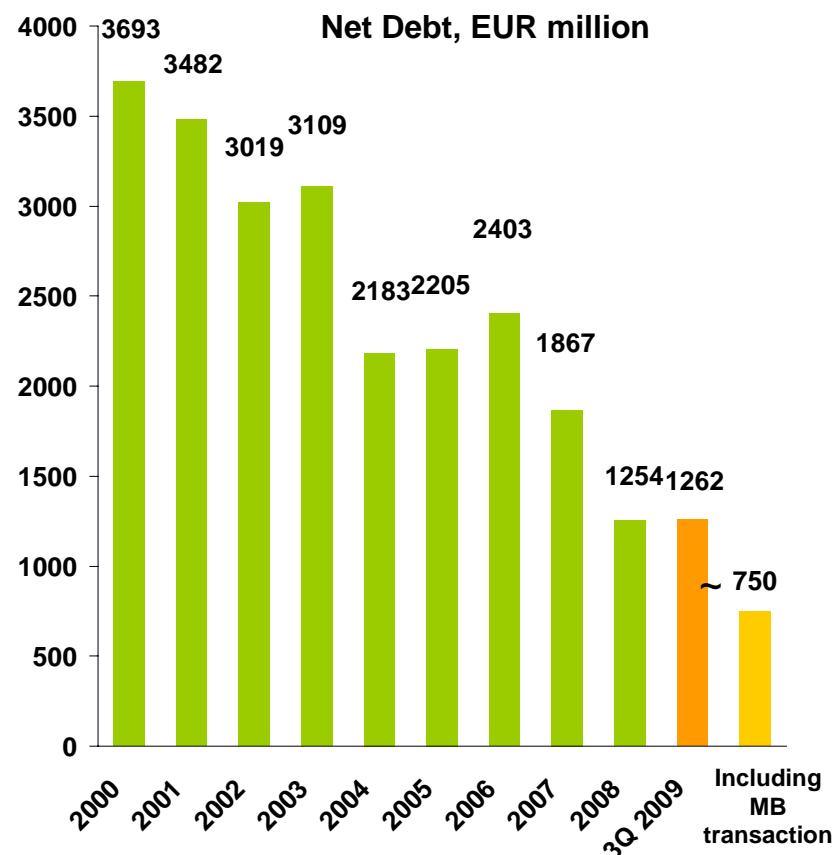


Metsä-Botnia Uruguay Transaction Signed. Closing Expected Latest in 1Q 2010

- Eucalyptus pulp no longer strategic raw material for M-real
 - Not used in cartonboard
- M-real's pulp consumption and production to balanced situation
- M-real's net debt reduction 500 M€ compared with end 3Q
 - 300 M€ cash
 - 150 M€ MB deconsolidation impact
 - 50 M€ 3-year vendor note from Metsäliitto Cooperative
- Closing subject to signing of financing arrangements and competition authorities' approval
- New planned Metsä-Botnia ownership structure: Metsäliitto Cooperative 53%, M-real 30%, UPM-Kymmene 17%

Net Debt Reduction Targeted to Continue

- Net debt to reduce to about 750 M€ after closing of Metsä-Botnia Uruguay transaction
- We are further strengthening our liquidity
 - To repay 340 M€ eurobond when due in Dec. 2010
 - To cope with the prevailing macroeconomic challenges
- 500 M€ revolving credit facility due in Dec. 2009 cancelled in October



Consistent Strategic Direction Since 2006

- Consumer Packaging the strategic core business
- Successful strategic review supporting European paper industry consolidation
- Complexity reduction
- Major cost savings and ONWC reductions
- Responsible and proactive approach to increase prices

Step 7: Letter of intent – Divestment of Botnia’s Uruguayan operations 4Q 2009

Step 6: Divestment of Graphic Papers, September 2008

Step 5: Self-sufficiency in pulp – Botnia Uruguay mill in full speed, 2Q 2008

Step 4: New profit improvement and complexity reduction programme, Nov 2007

Step 3: Divestment of Map Merchant Group, July 2007

Step 2: Extension of the October programme through Finnish restructuring, Feb 2007

Step 1: Extensive restructuring programme announced in Oct 2006

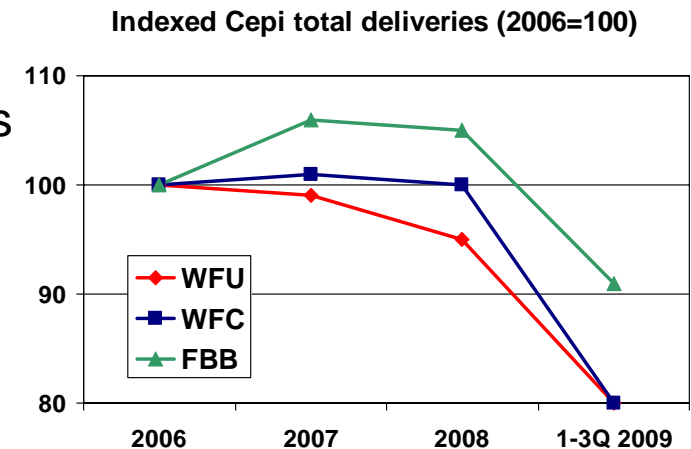
Difficult Year 2009

Global recession

- Drastic drop in demand for pulp, paper and board since late 2008
- Dramatic drop of pulp price and negative price development of WFU
- Unfavourable USD and GBP exchange rates
- Lower valuations of wood and pulp inventories

Restructuring of operations

- Adaptation to the divestment of Graphic Papers
- Hallein paper mill closure
- Production changes in Gohrsmühle



Actions Focused on the Last Problem Areas

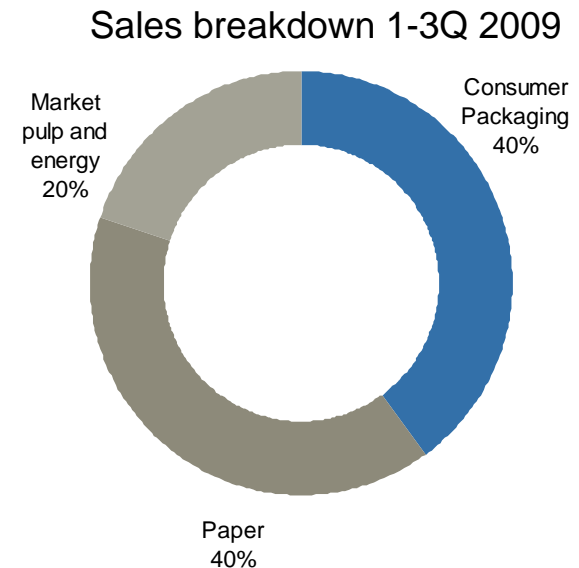
- Husum and Alizay profit improvement programmes
- Speciality Papers profitability improvement through efficiency improvements in Gohrsmühle and Reflex
- Hallein pulp mill profitability to be secured
- Kaskinen profitability improvement through BCTMP sales increase

Additional focus areas:

- Consumer Packaging growth in emerging markets
- Significant IT cost savings through a new service concept
- Profit improvement measures together with Botnia in integrated mill sites in Kemi and potentially in Äänekoski and Joutseno
- Continuous efficiency improvements and price increases in all BAs

Thanks to Successful Restructuring M-real in Clearly Better Position to Make Profit

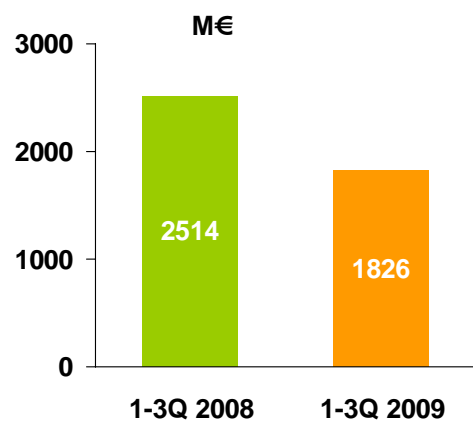
- Consumer Packaging's good performance to become more visible
- Heavily loss making coated paper business out of the company
- Improved demand in pulp, board and paper
- Positive price development in pulp and board
- Successful profit improvement measures
- Lowering depreciations and financing costs
- No need for major investments in the near future



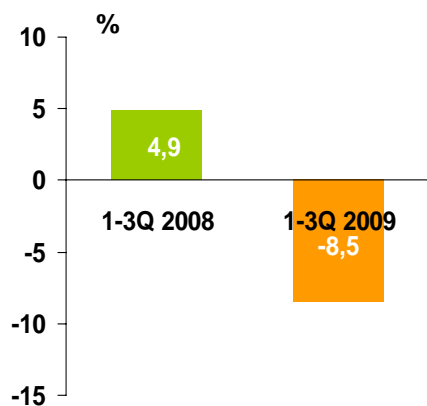
Appendix

Key Figures – Cumulative Comparison

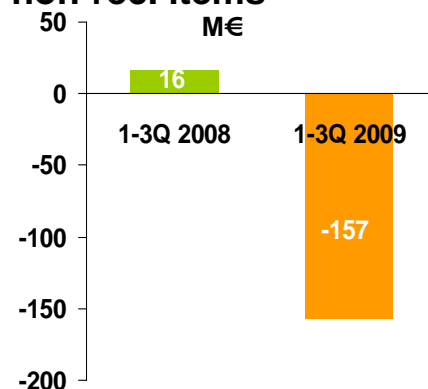
Sales



ROCE*



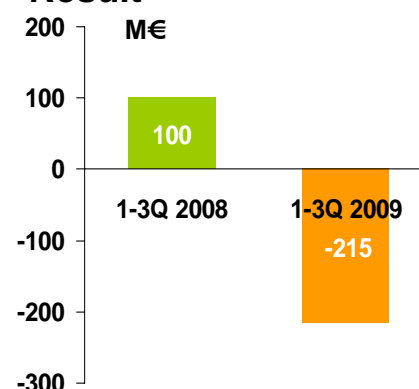
Operating Result, excl. non-rec. items



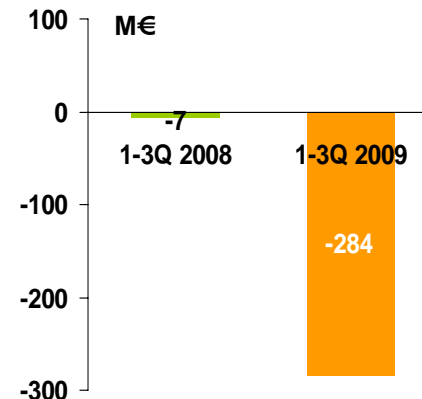
Result before taxes, excl. non-rec. items



Operating Result



Result before taxes



Due to Extensive Own Actions Cash Flow Development In Control Despite Negative Result*

	3Q09	2Q09	Diff.	1-3Q09	2008
Net cash flow arising from operations, M€ (including change in working capital)	67	-20	87	40	-97
Investments, M€	-23	-16	-7	-55	-128
Disposals, M€	2	3	-1	7	483
Net investments, M€	-21	-13	-8	-48	355
Net cash flow after investments, M€	46	-33	79	-8	258
Net gearing at the end of period, %	121	116	5	121	90
Covenant net gearing at the end of period, %	94	91	3	94	74
Equity ratio at the end of period, %	28,5	29,4	-0,9	29	30,8
Covenant equity ratio at the end of period, %	34	34	0	34	36

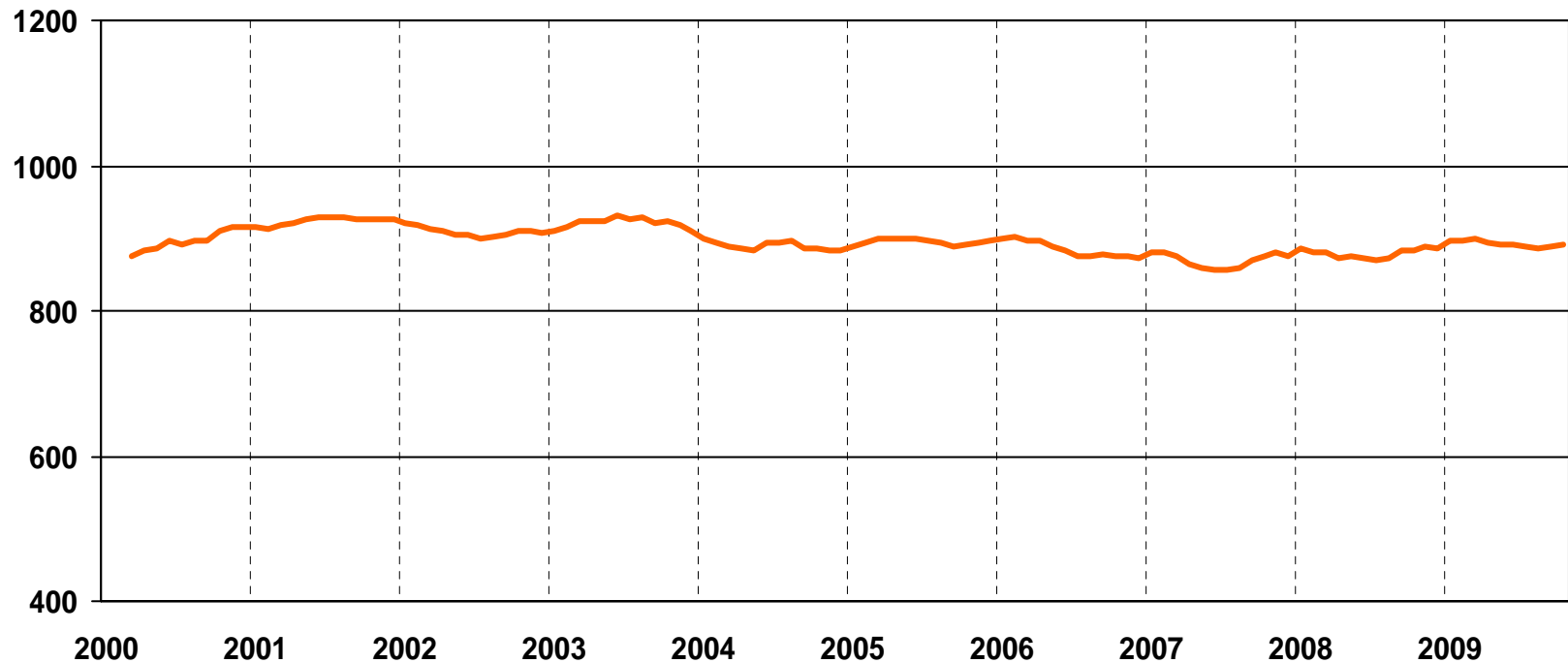
* Cash flow figures including also non-recurring items and discontinued operations

Heavy Internal Profit Improvement Actions and Lower Costs Improving the Situation in 2009

Profit impact vs. 2008, m€	total target	Cumulative		
		2009	2010	2011
1 Profit improvement programme 2009	90	30	70	90
2 Profit improvement programme 2008	70	40	60	70
3 Cost savings programmes 2007	10	10	10	10
Total	170	80	140	170
Estimated cost change 2009		-30		
Profit impact after cost change		110		

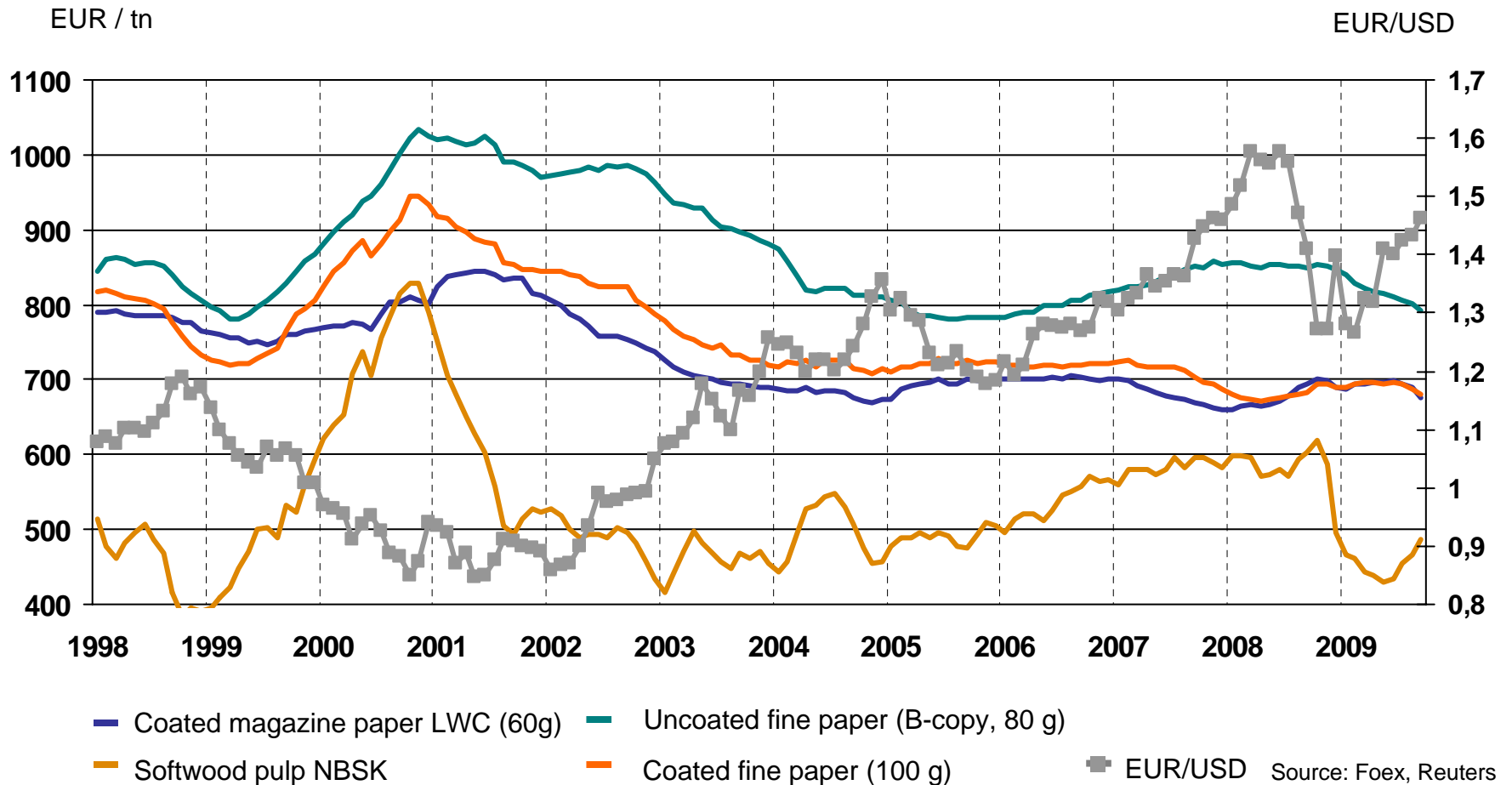
Folding Boxboard Market Price in Europe 2000 – 3Q 2009

EUR / tn Three month moving average

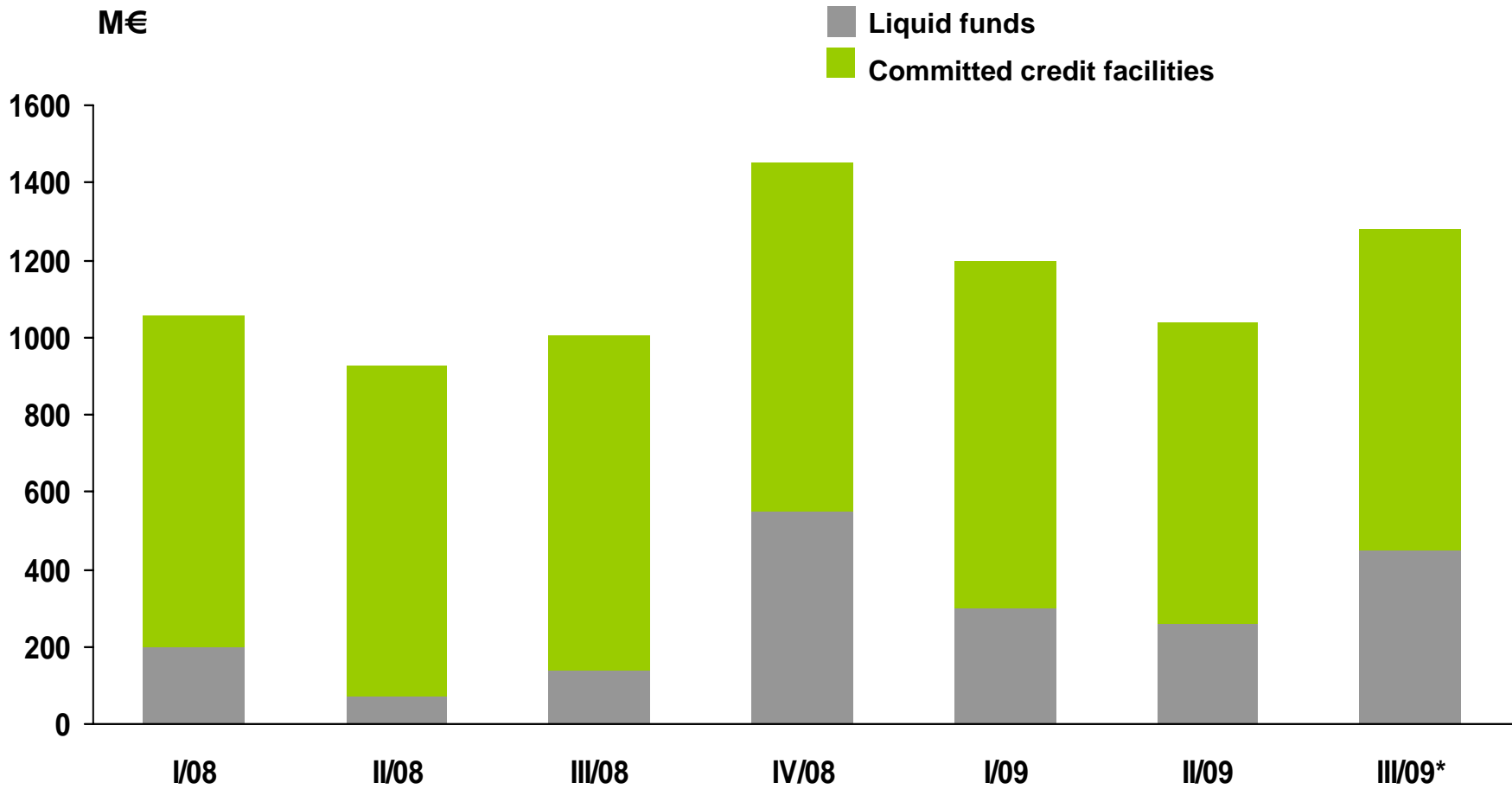


Source: M-real

Paper and Pulp Market Price in Europe 1998 – 3Q 2009

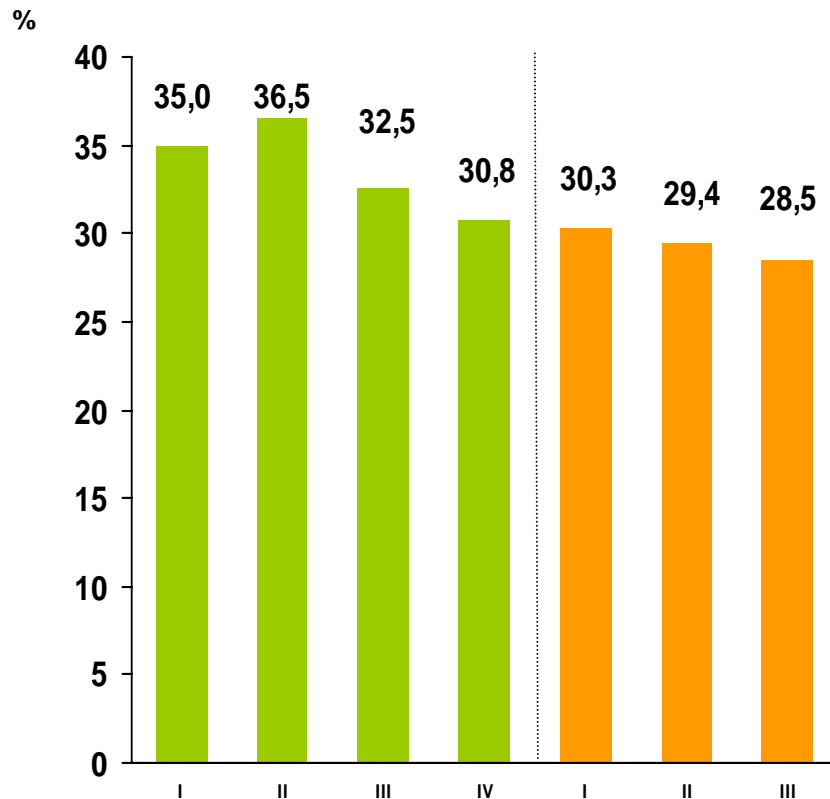


Liquidity

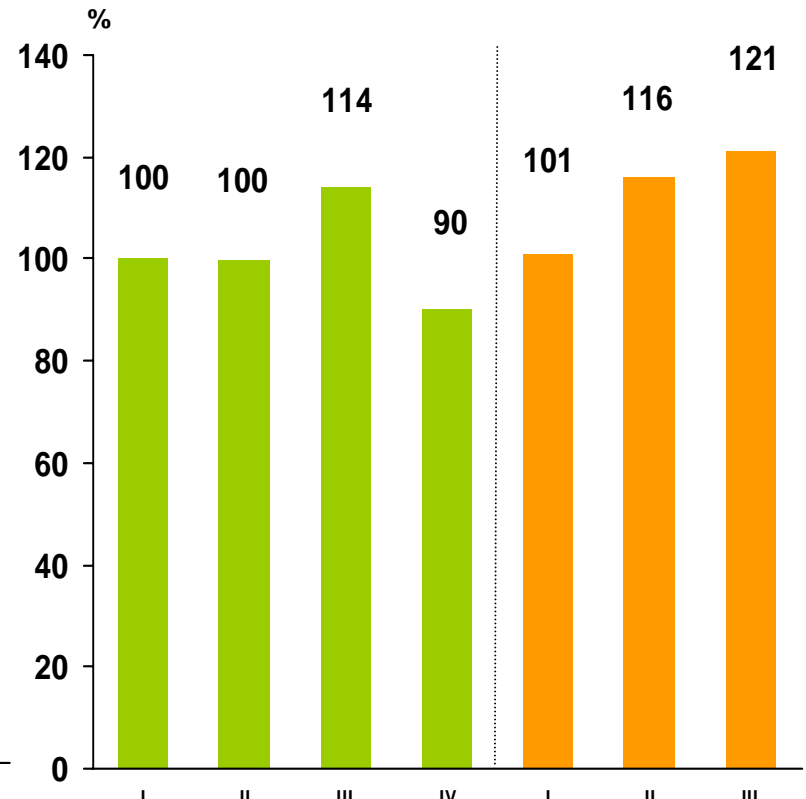


Balance Sheet Ratios*

Equity Ratio



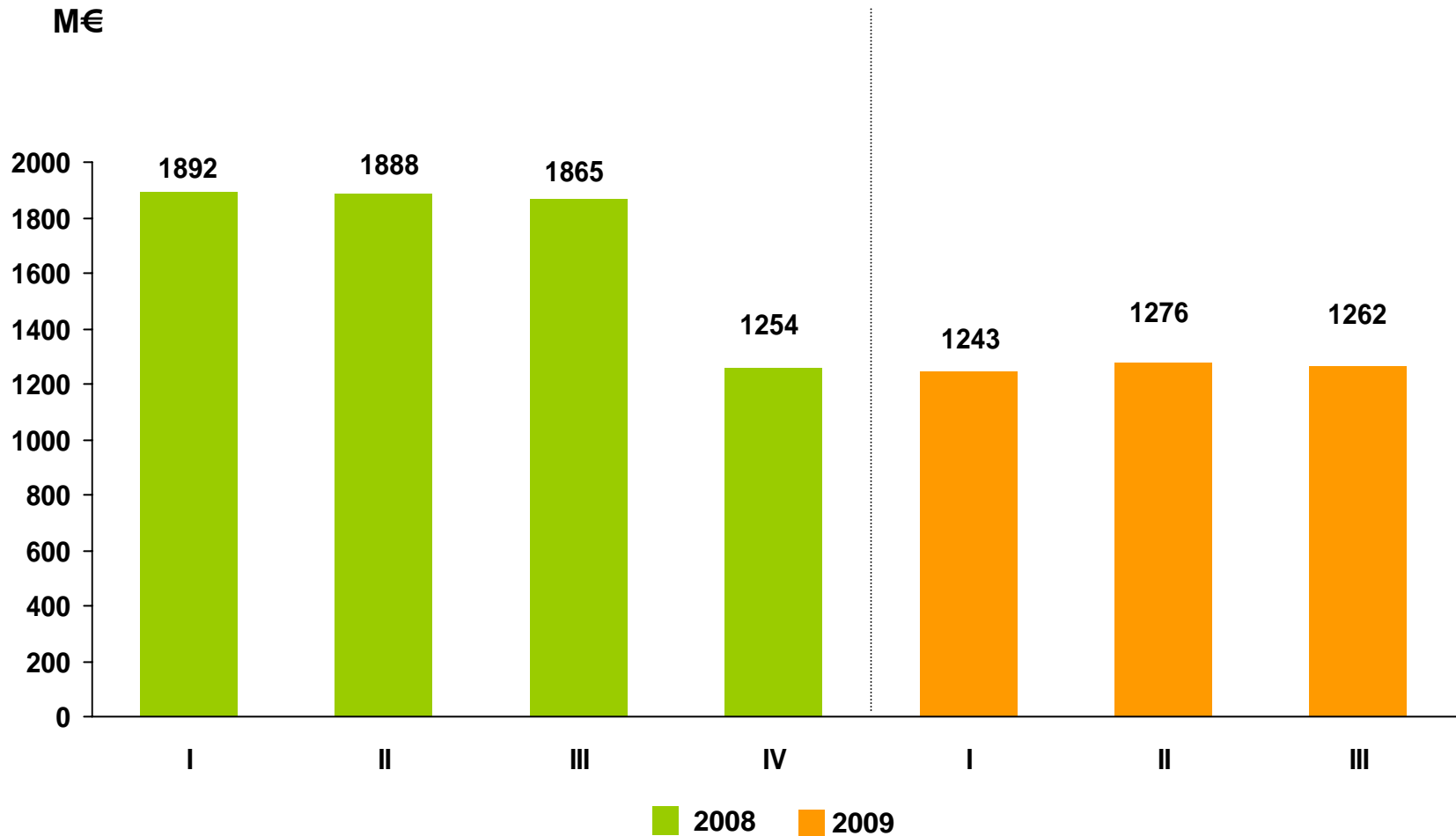
Net gearing



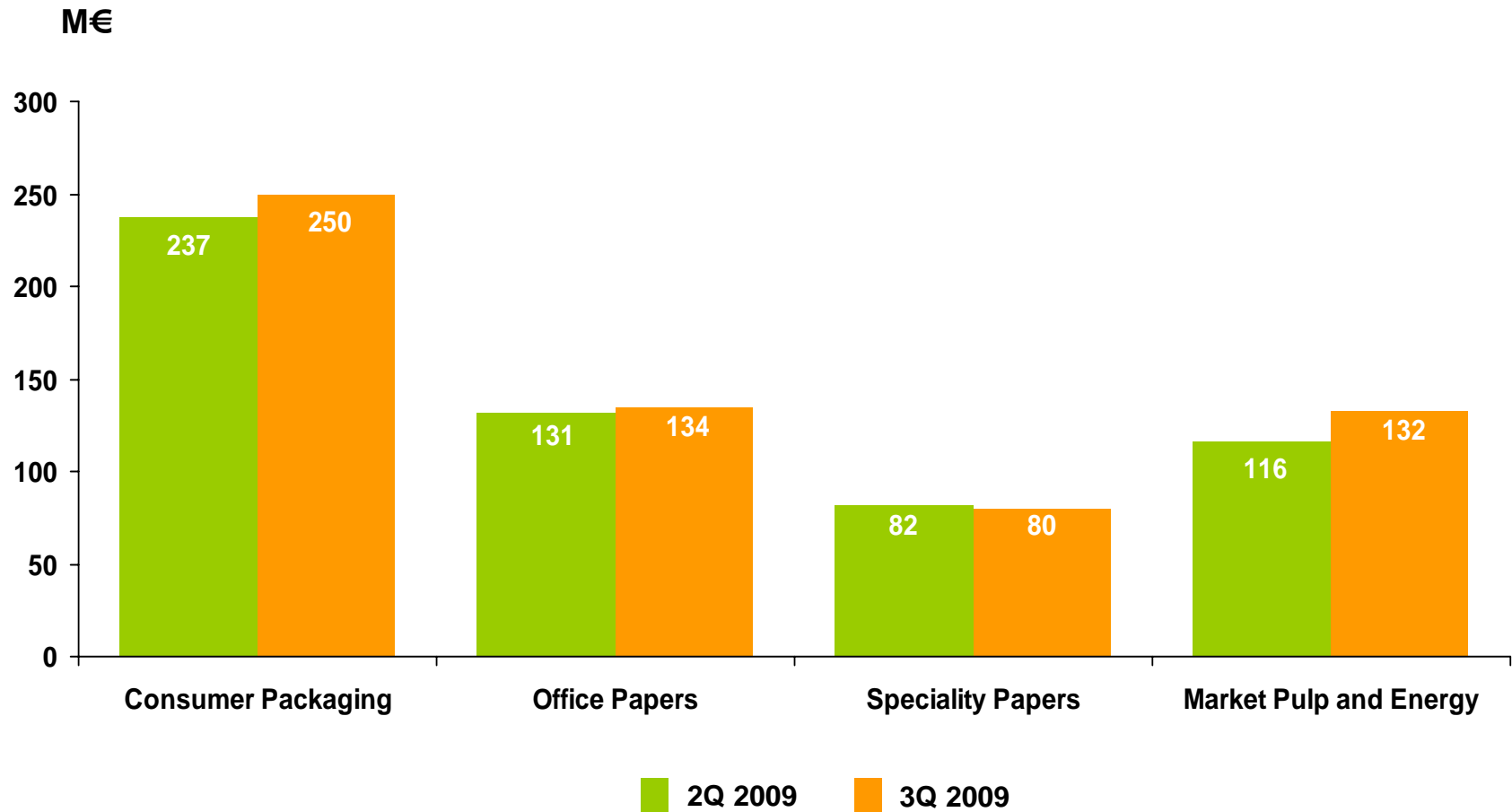
■ 2008 ■ 2009

*Closing of the Metsä-Botnia transaction announced in July 2009 expected to reduce net gearing by about 40 %-units and improve equity ratio by about 3 %-units. Closing expected latest in 1Q 2010.

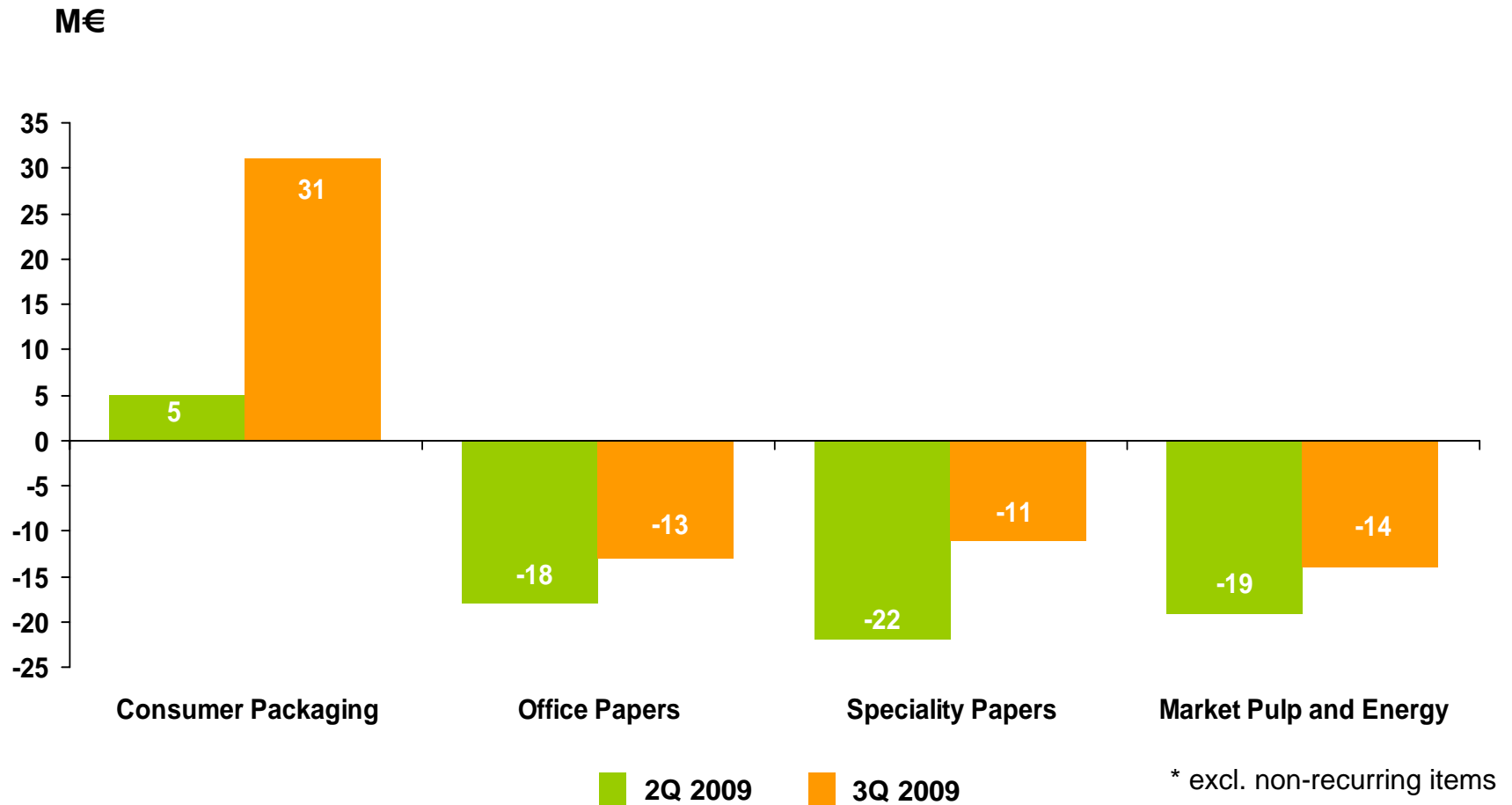
Interest-Bearing Net Debt*



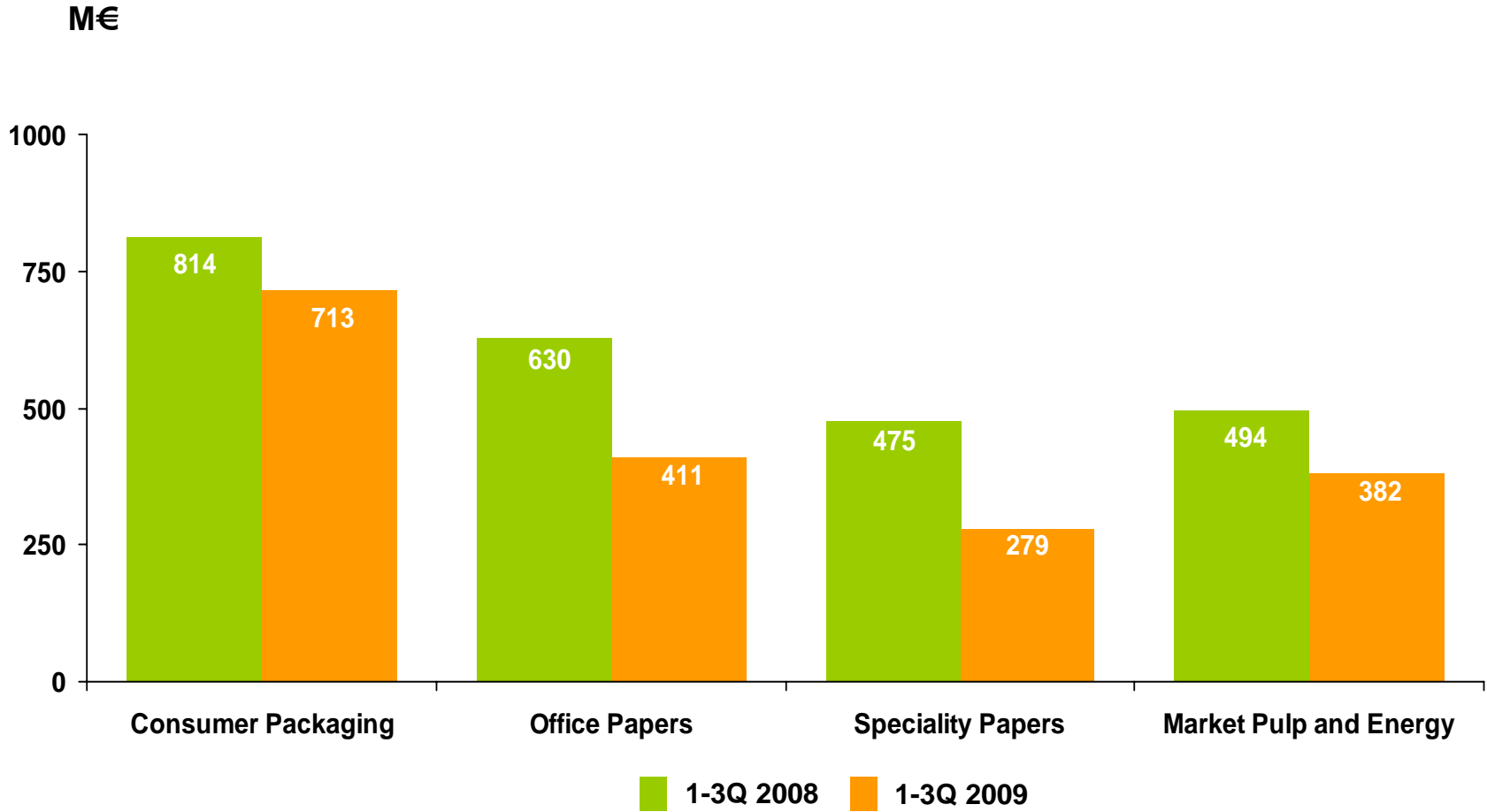
Sales by Business Area



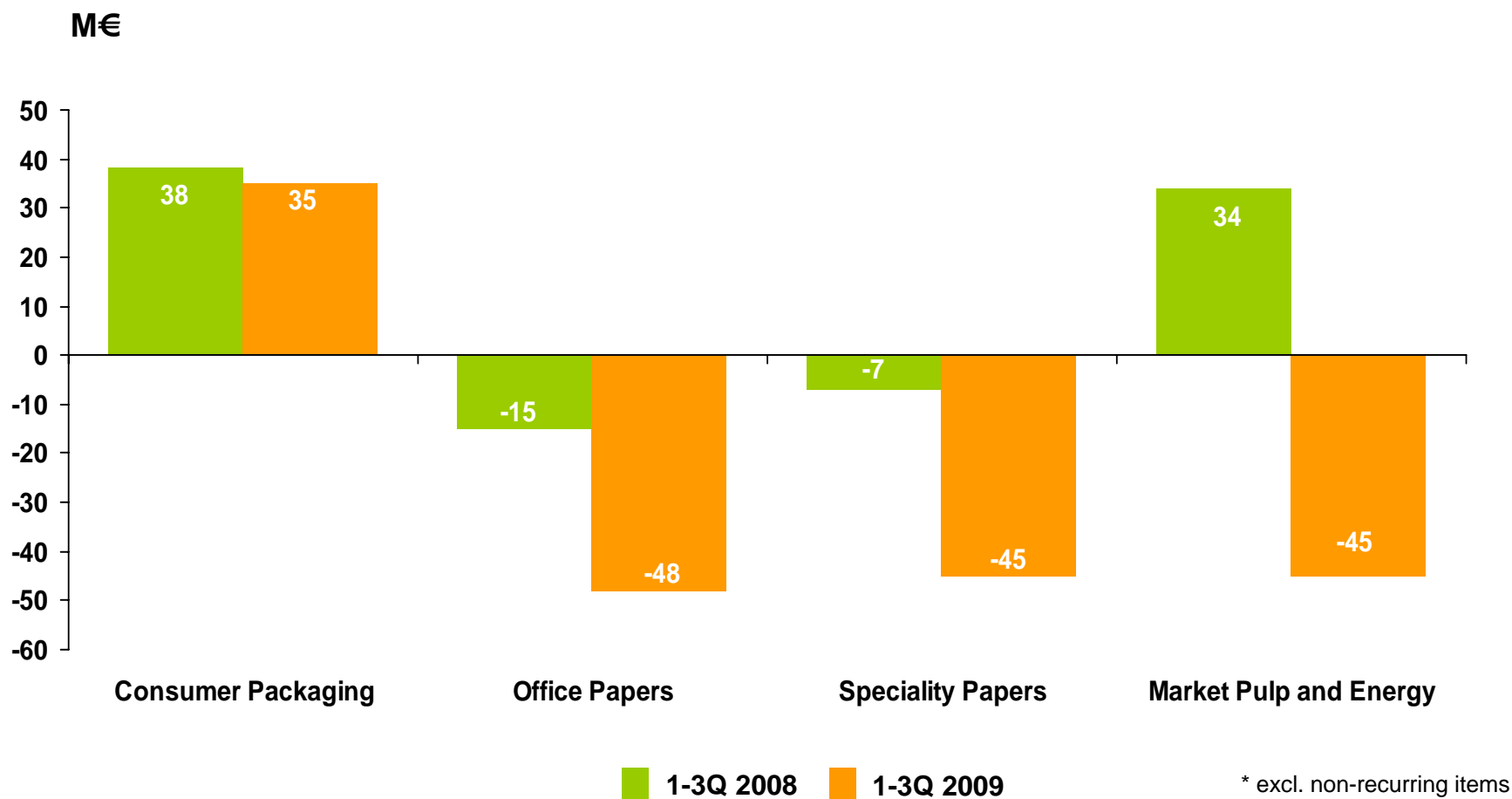
Operating Result by Business Area*



Sales by Business Area

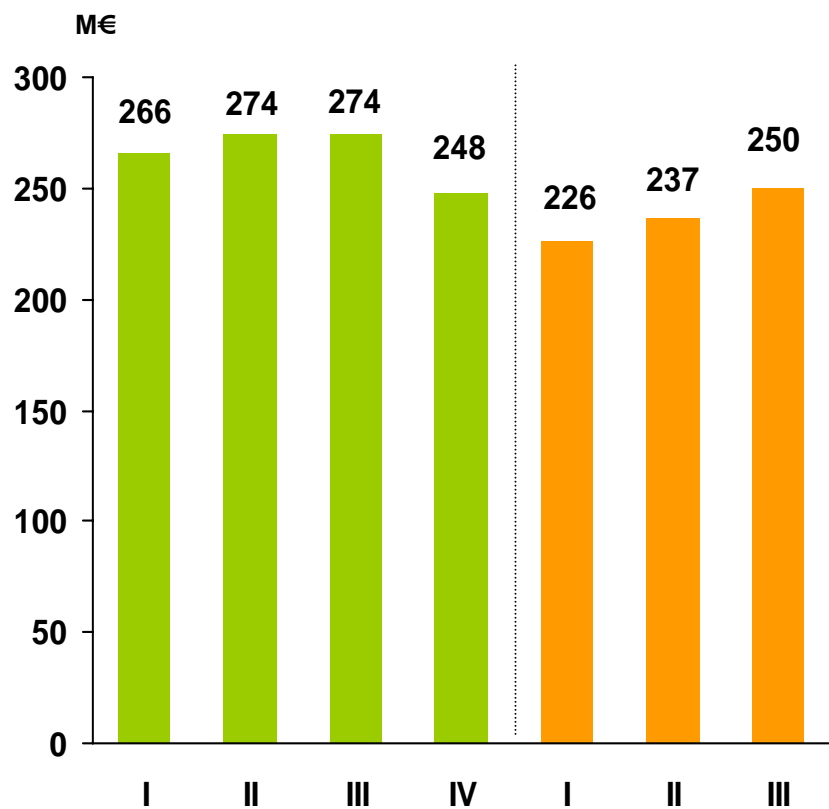


Operating Result by Business Area*

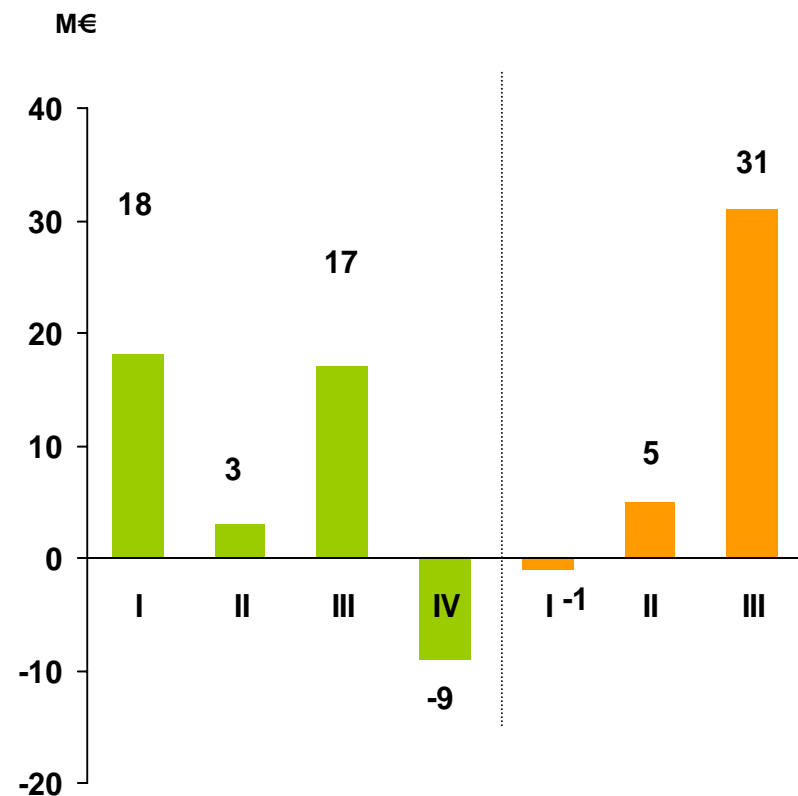


Consumer Packaging

Sales by Quarter



Operating Result by Quarter*

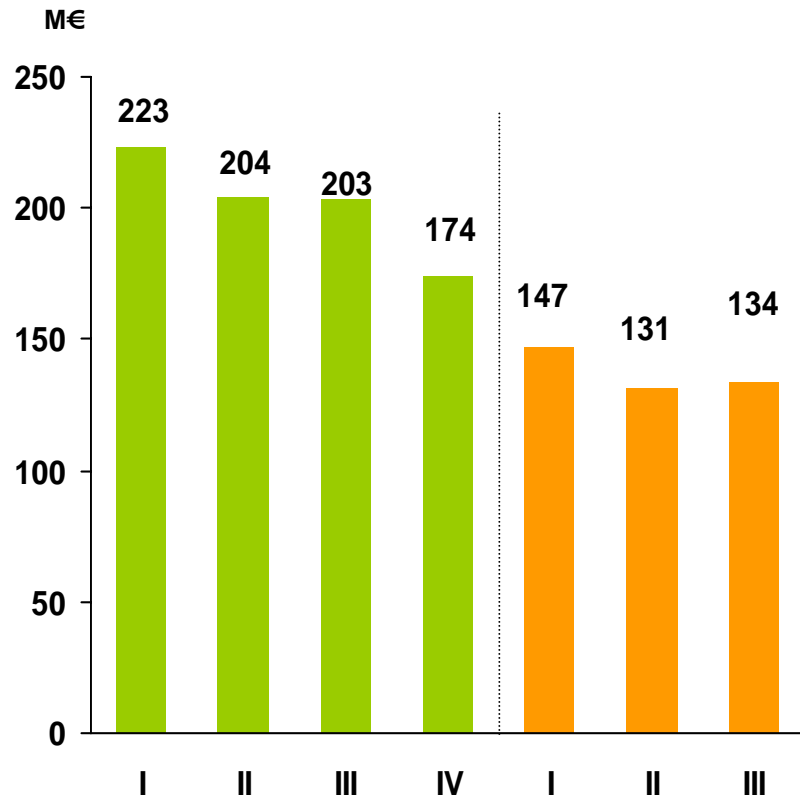


■ 2008 ■ 2009

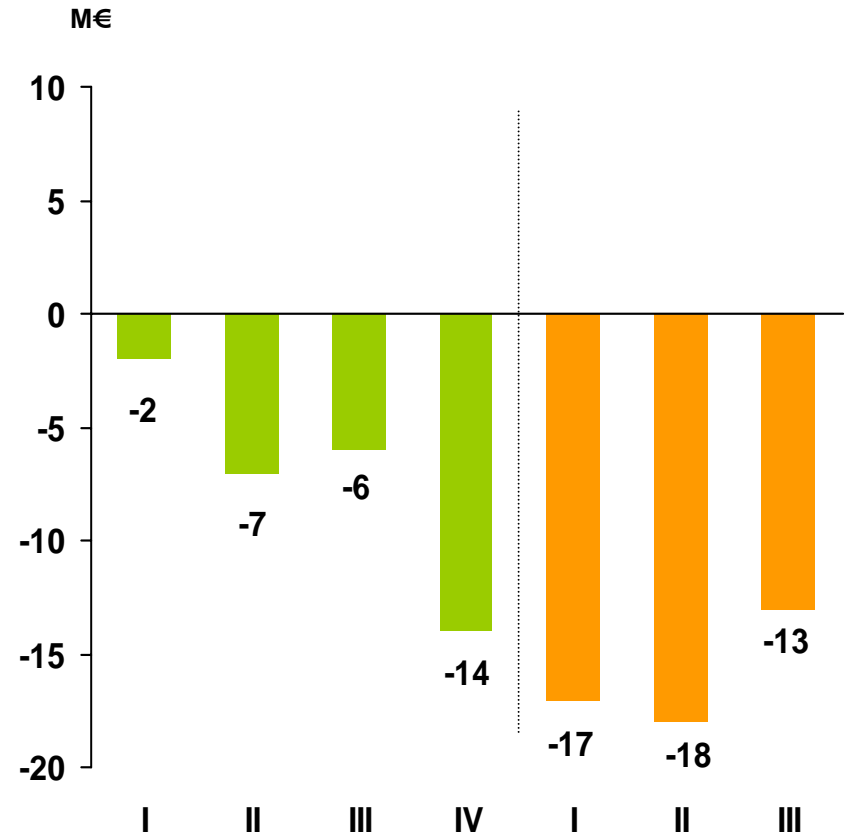
* excl. non-recurring items

Office Papers

Sales by Quarter



Operating Result by Quarter*

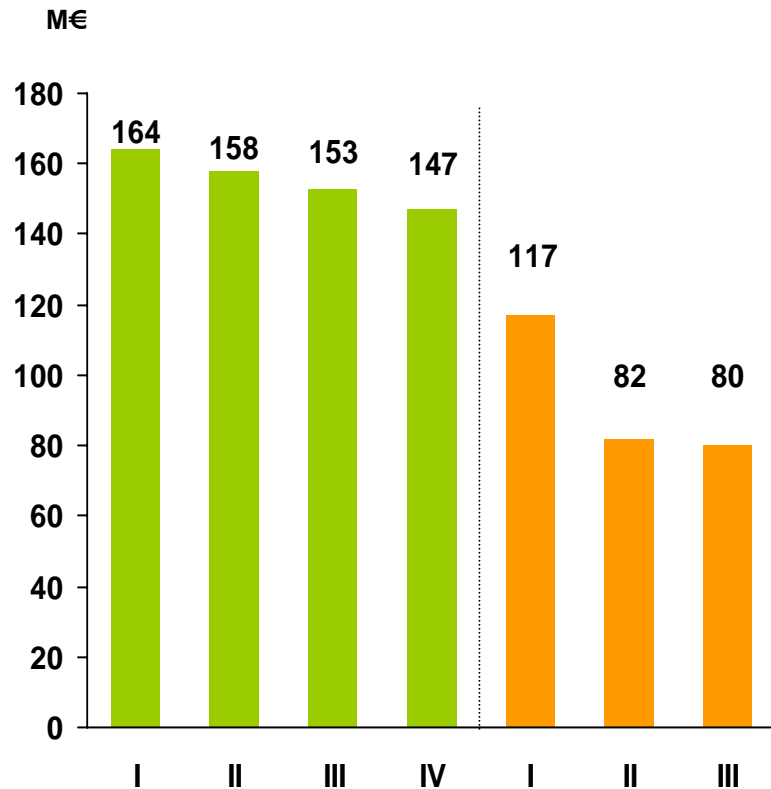


■ 2008 ■ 2009

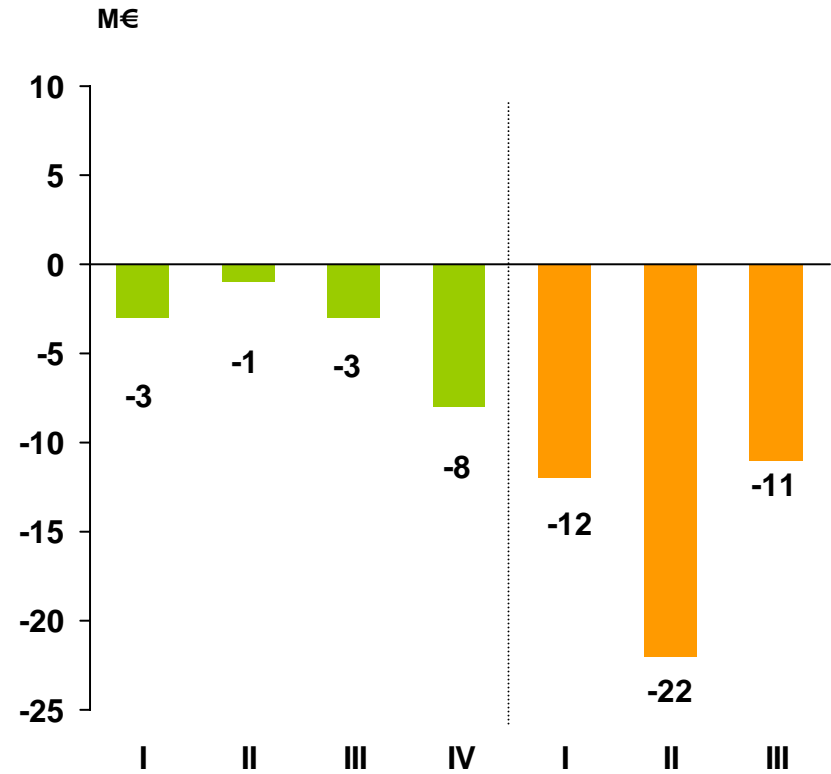
* excl. non-recurring items

Speciality Papers

Sales by Quarter



Operating Result by Quarter*

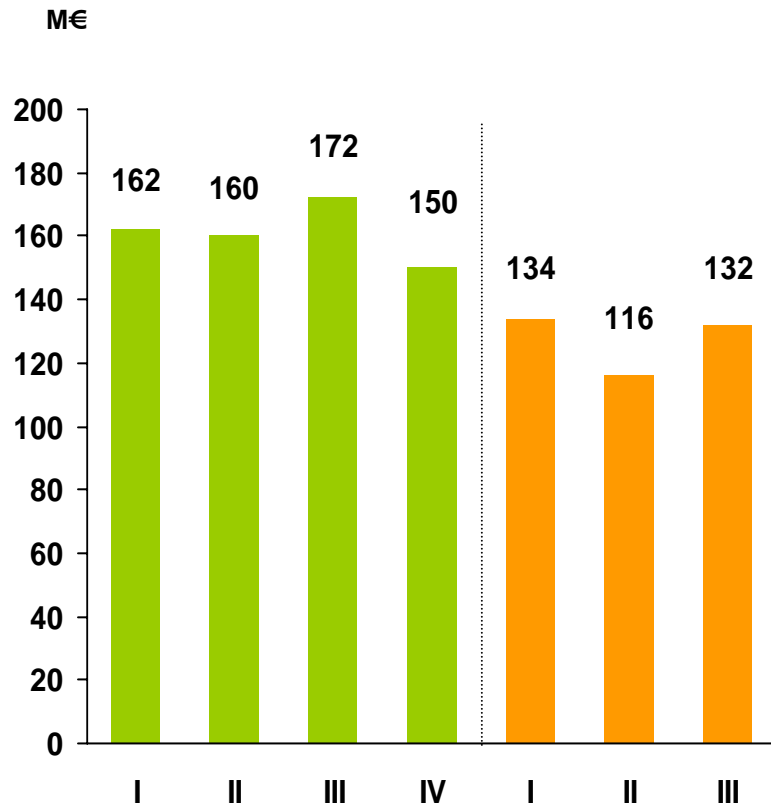


■ 2008 ■ 2009

* excl. non-recurring items

Market Pulp and Energy

Sales by Quarter



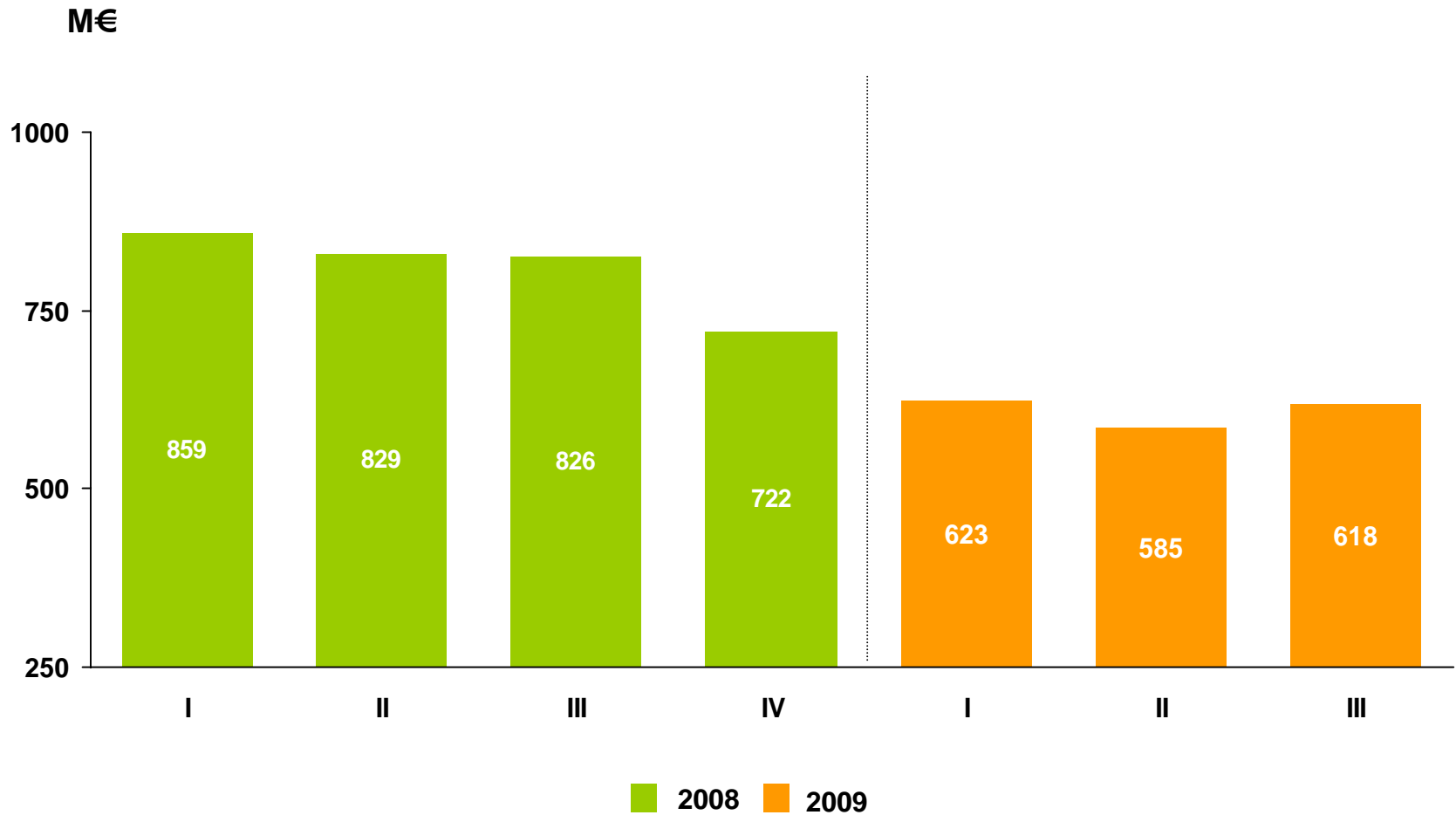
Operating Result by Quarter*



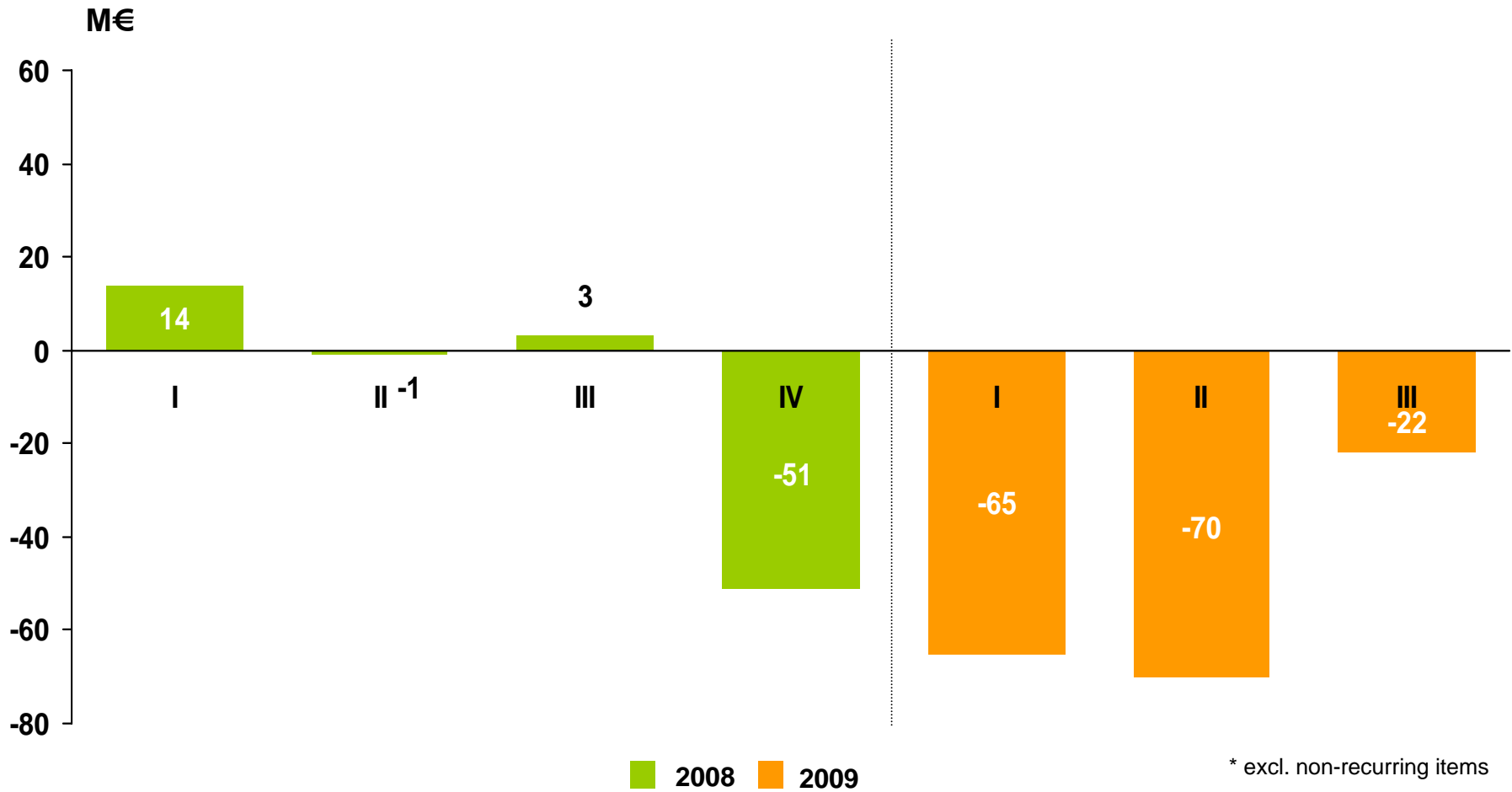
■ 2008 ■ 2009

* excl. non-recurring items

Quarterly Sales



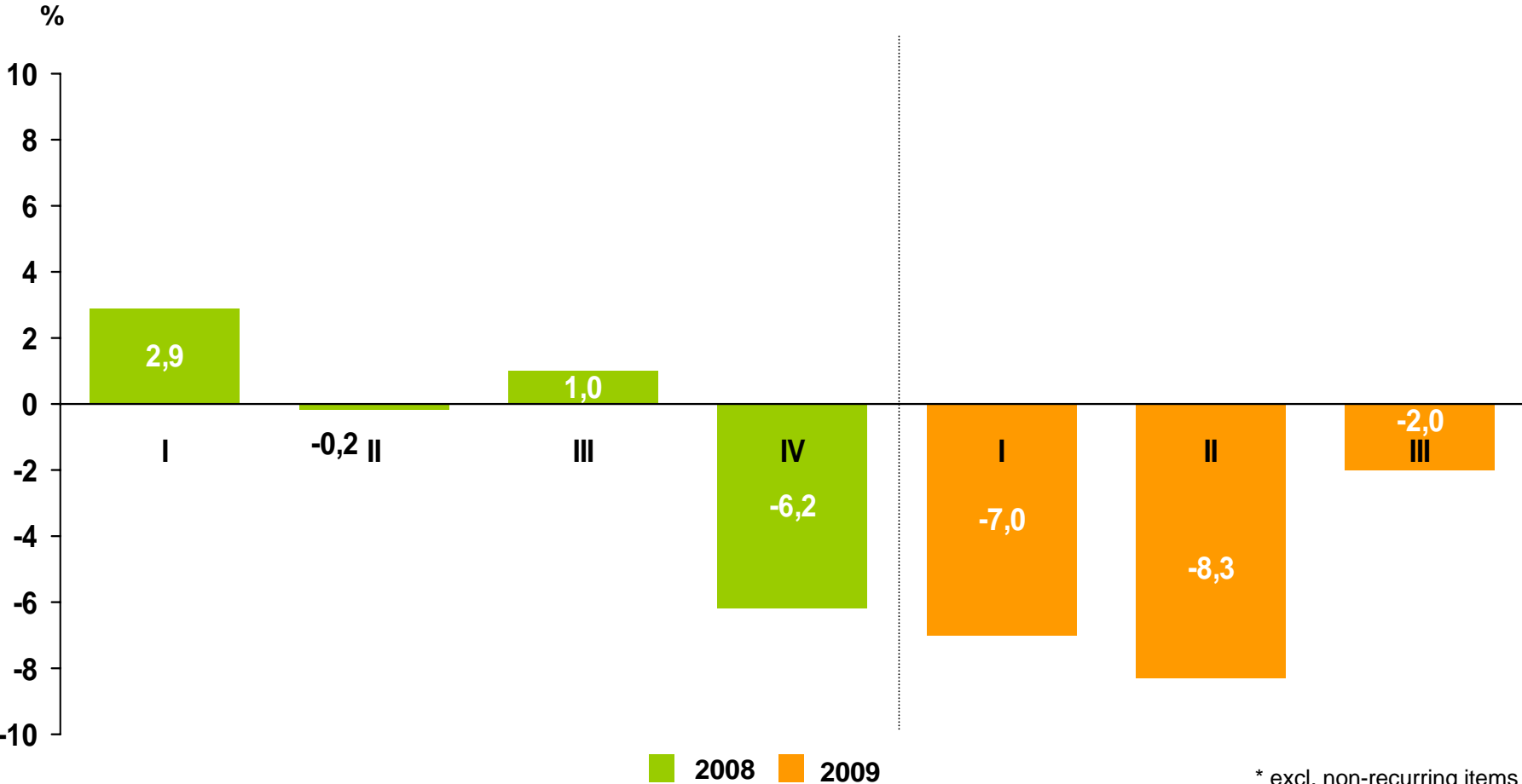
Quarterly Operating Result*



Quarterly Result Before Taxes*

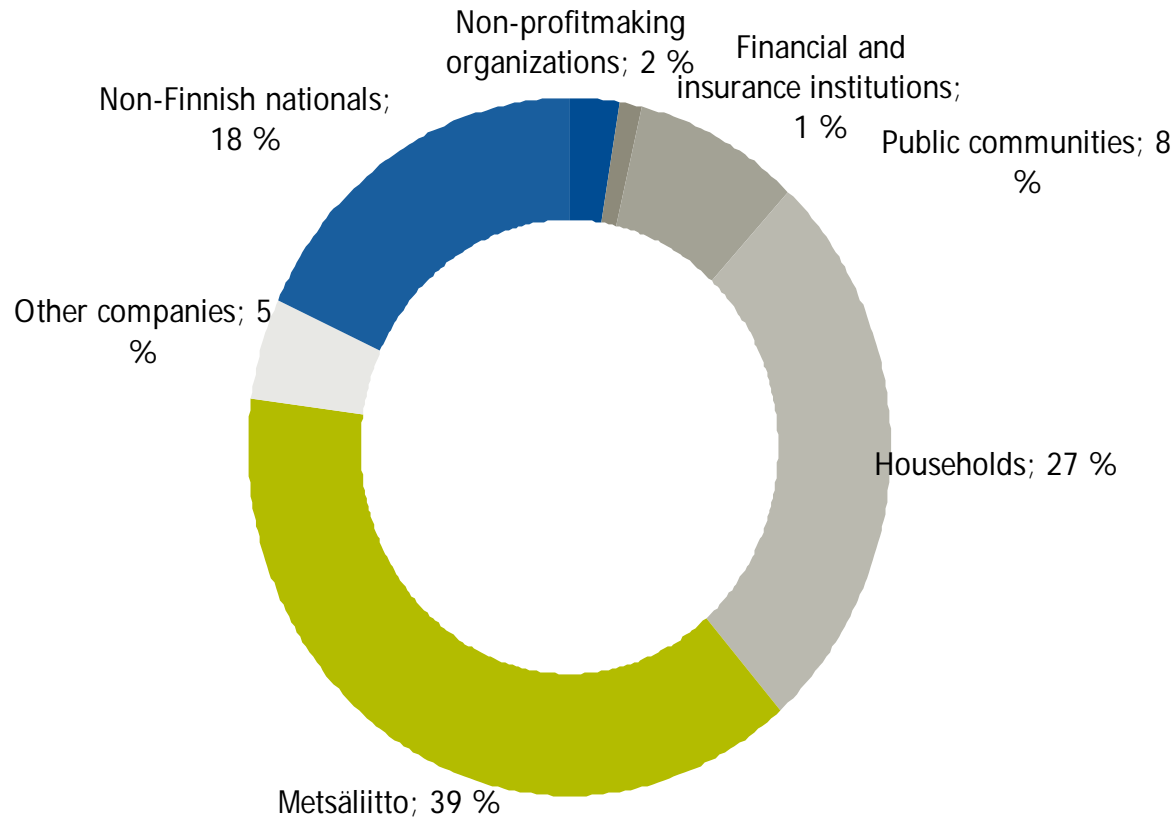


Quarterly ROCE %*



* excl. non-recurring items

M-real Shareholders 30.9.2009



M-real Voting Rights 30.9.2009

