CFO's Notes

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Capital Market's Day
19 September 2012

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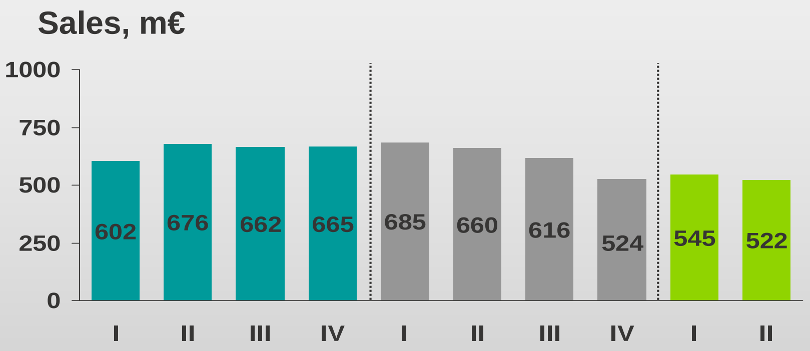
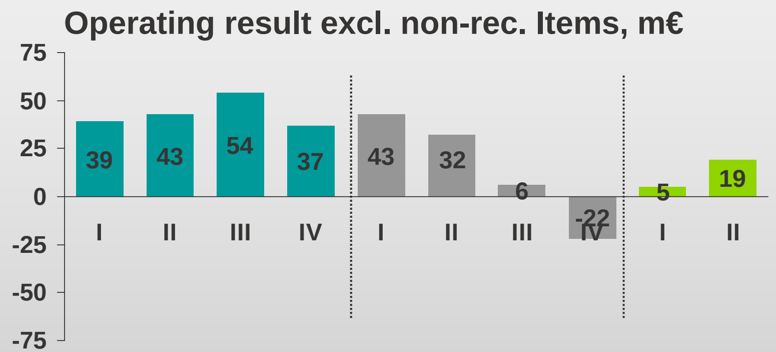
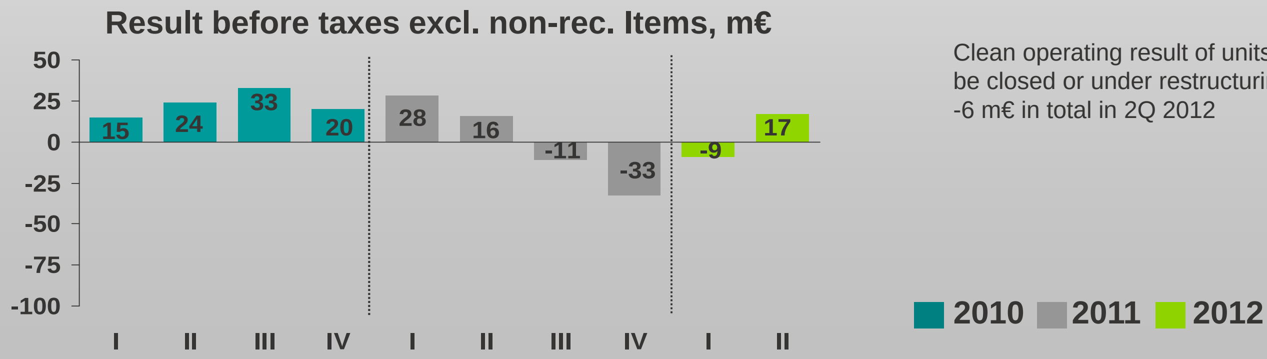
Profitability Development

Result Before Taxes Back to Black Figures in 2Q 2012



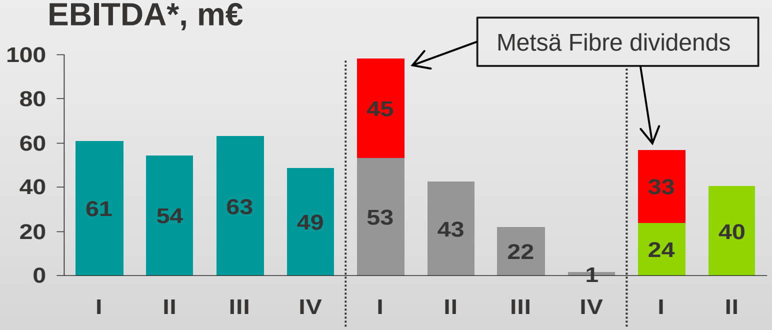




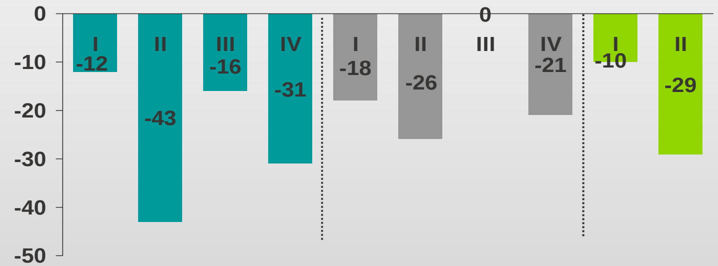
Clean operating result of units to be closed or under restructuring -6 m€ in total in 2Q 2012

Cash Flow Elements

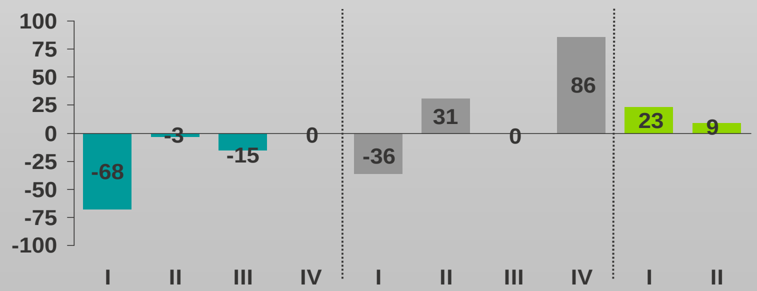
EBITDA*, m€



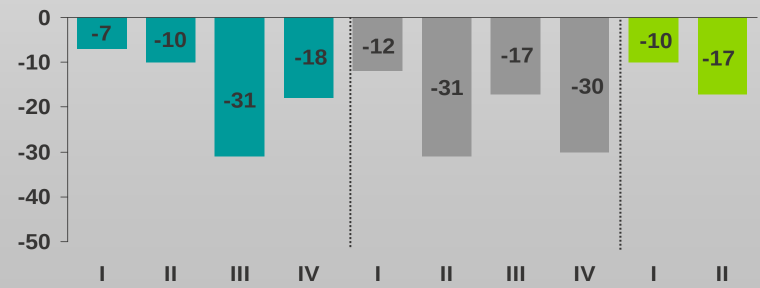
Net financial items paid, m€



Change in NWC, m€



Investments, m€



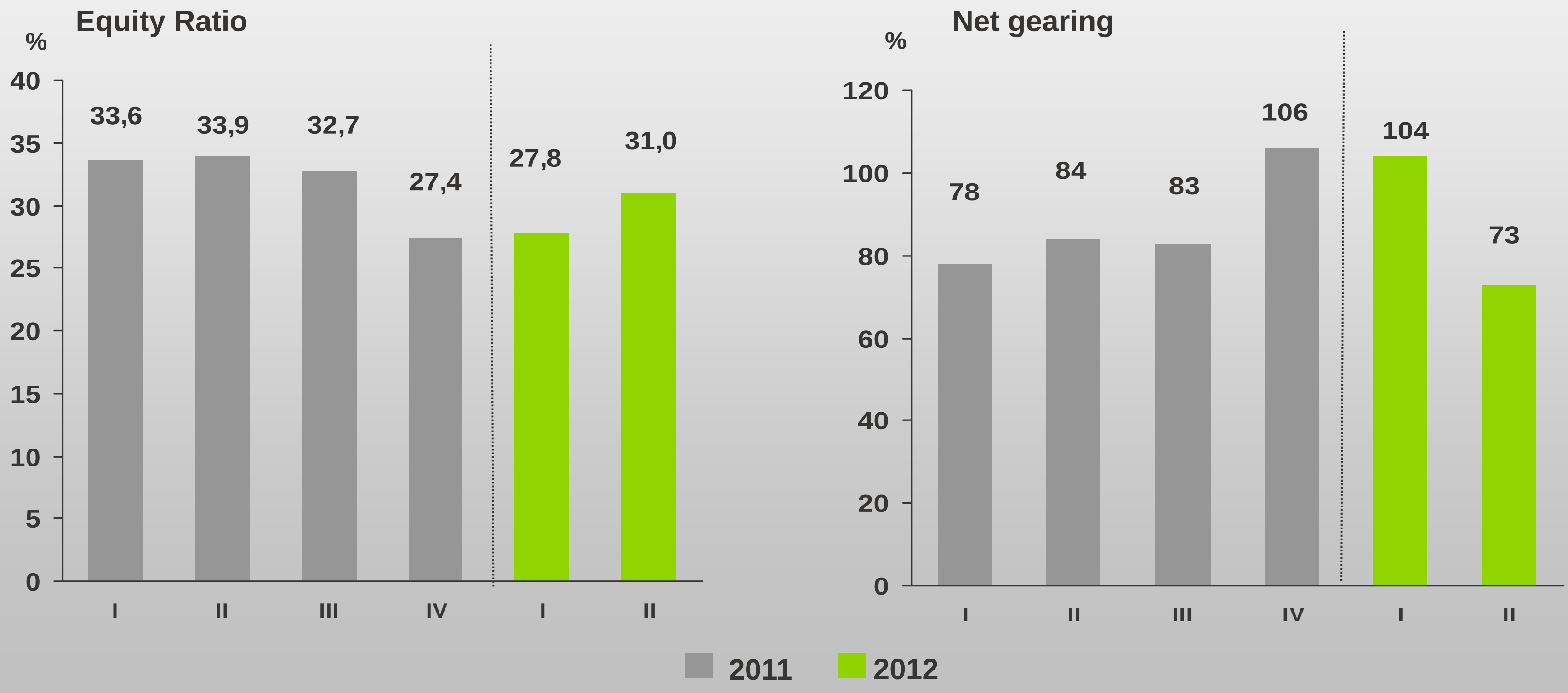
In 1H 2012 the cash flow outflow related to announced restructurings totalled around 70 m€

2010 2011 2012

*) excl. NRIs and Metsä Fibre profit share

Metsä

Balance Sheet Has Strenghtened Clearly in 2012



Performance Is Improving

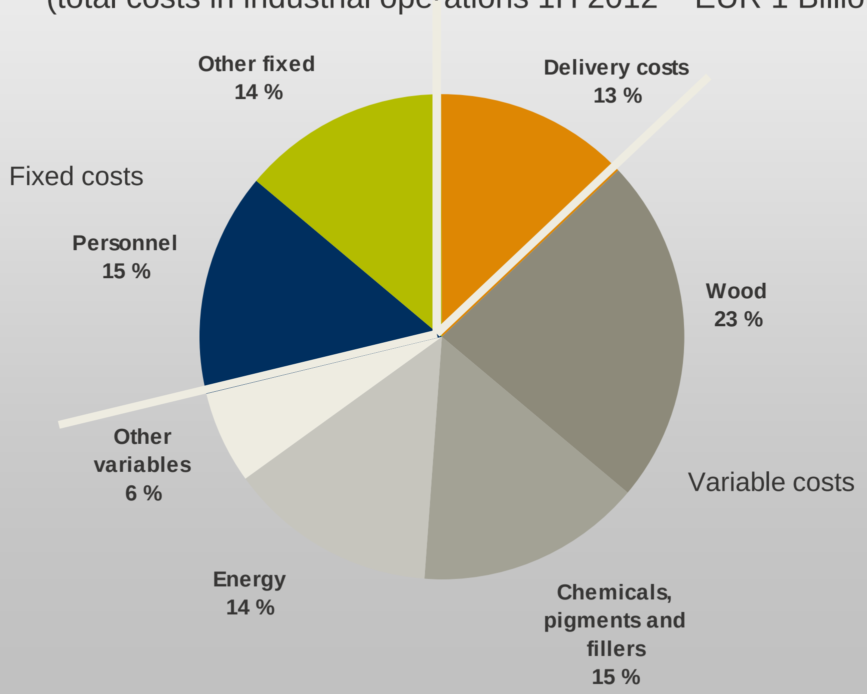
– Metsä Board's operating result for the third quarter of 2012, excluding non-recurring items, is expected to be slightly better than in the second quarter of 2012

  – Improving paperboard and coated paper delivery volumes
  – Announced price increases for linerboard and uncoated fine paper as of September 2012
  – Extensive maintenance shutdowns at Husum and Kemi mills will have a negative impact

Cost Inflation and Profit Improvement Measures

Continuous Work in Cost Base

Cost Structure 1H 2012*
(total costs in industrial operations 1H 2012 ~ EUR 1 Billion)



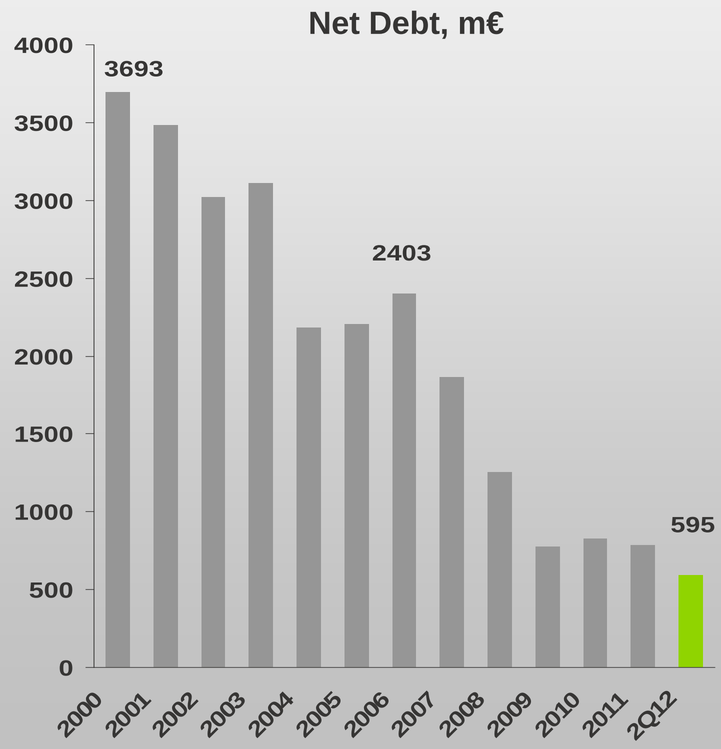
* Percentage of costs in industrial operations

- Cost inflation has normalized after severe acceleration in 2011
  - Own profit improvement actions have covered the most
- Systematic approach to save variable and fixed costs in all mills
- Culture of continuous improvement deeply rooted

Financing

Financial Situation Has Improved in 2012

- Net debt reduced to below 600 m€
- Net gearing 73%, equity ratio 31% at end 2Q
- ONWC decreased by 11 m€ in 2Q
- Metsä Board cash about 270 m€ at end 2Q
- Average interest rate 5.3% at end 2Q



Current Loans and Interest Rate

At the end of 2Q 2012

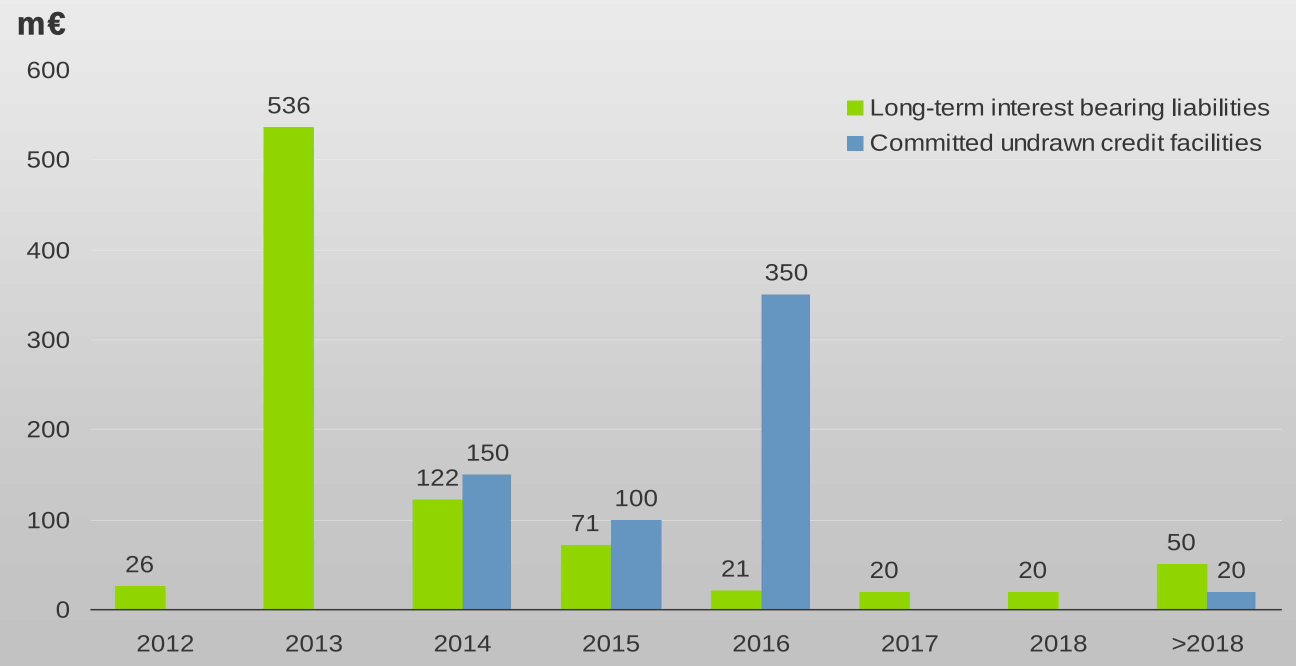
– Average maturity of long term loans	1,6 years
– Average interest rate of loans (including derivatives)	5,3 %
– Interest rate maturity of loans (including derivatives)	11,9 months

– Of the loans about 70 per cent was subject to variable interest rates and 30 per cent to fixed interest rates

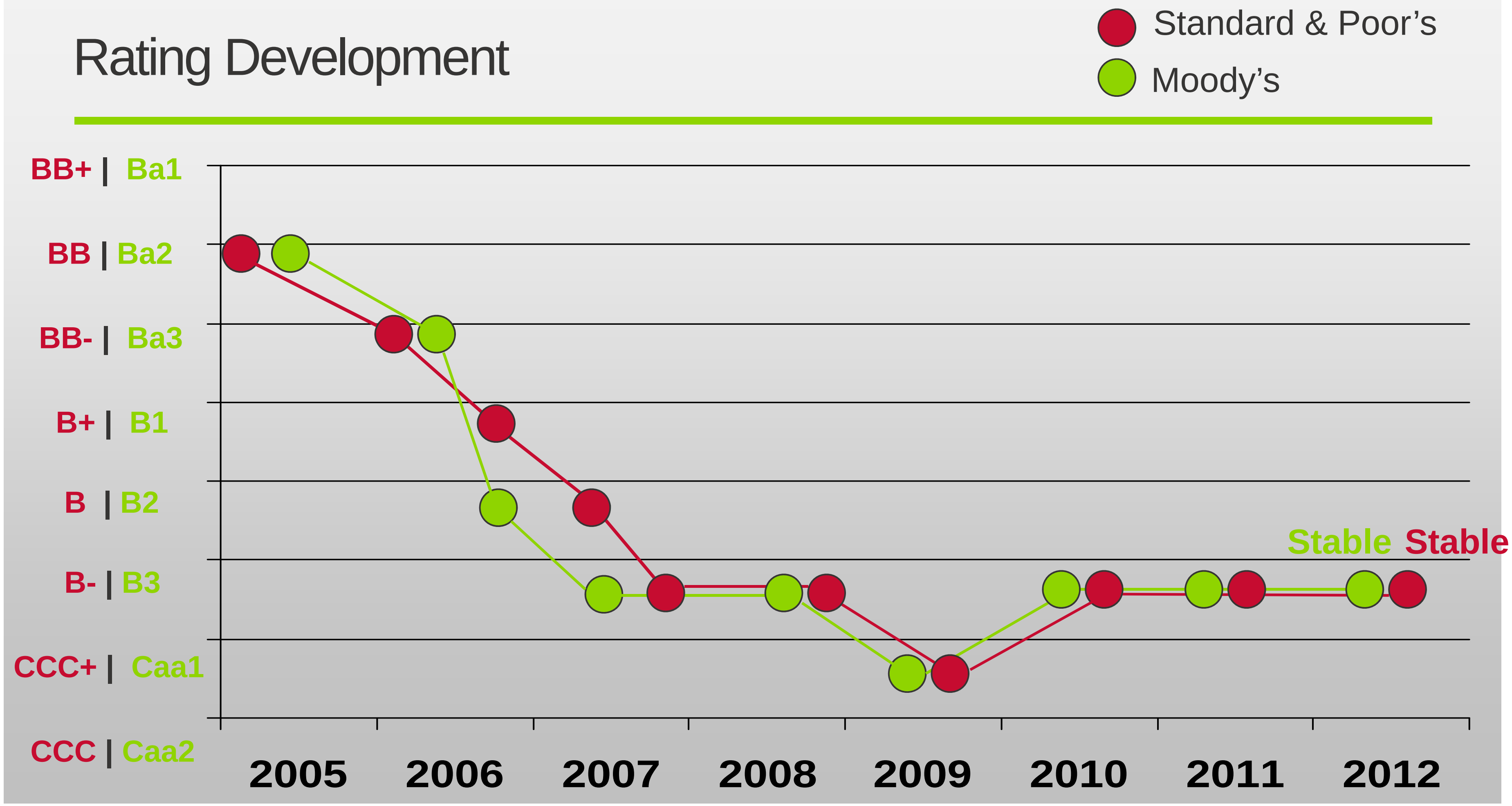
Agreement on Metsä Board’s Refinancing Signed in May 2012

- New 600 m€ term loan and revolving credit facility agreement with a syndicate of five banks and certain Finnish institutional investors
- This agreement will be utilized to refinance the 500 m€ eurobond maturing in April 2013
- Facilities include a 100 m€ RCF available immediately and 500 m€ term loans available from late March 2013
  - Maturity of RCF is three years
  - 150 m€ of term loans matures at end June 2014 and 350 m€ at end March 2016
- The average financing cost of the facilities calculated for the entire loan period is 6.5 %

Maturity Profile of Long-term Interest Bearing Liabilities and Committed Undrawn Credit Facilities 30.6.2012



Rating Development



Debt Structure Targets

- In the long-term, the targeted debt capital elements consist of a mix of bonds, bank debt and pension loans
  - Additionally, a revolving credit facility is needed for working capital purposes
- If market conditions allow and interesting financing opportunities arise, we will carefully consider our possibilities in the capital markets
- However, the financing cost of any future transactions must be competitive
- The target is to have a well spread maturity profile

Metsä

Thank You!

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