Best-in-Class Product and Service Offering
Supporting Global Customers to Improve
Profit and Sustainability

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Fit-For Purpose Folding Boxboard Offering

Ari Kiviranta, Head of Cartonboard BA
Metsä Board’s Folding Boxboards Are Ideal for Many End-Uses

End-Uses of Metsä Board’s FBB

- Food: 31%
- Cigarette: 24%
- Merchant sales: 19%
- Pharmaceuticals: 13%
- Cosmetics and others: 13%

Metsä Board
Metsä Board is the Global Quality Leader in Folding Boxboard

- Cost competitiveness and sustainability thanks to light weight
- Pure and safe
- Superior printing surface
- Best quality consistency
- Traceable raw material
Better Cost Competitiveness and Smaller Environmental Load

Case from Europe

<table>
<thead>
<tr>
<th>Product</th>
<th>Old packaging material</th>
<th>Weight/m²</th>
<th>Weight of Metsä Board’s FBB/m²</th>
<th>Difference in weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetics packaging</td>
<td>Solid bleached board</td>
<td>341 gsm</td>
<td>270 gsm</td>
<td>21%</td>
</tr>
<tr>
<td>Hygiene product packaging</td>
<td>Recycled fibre based cartonboard</td>
<td>326 gsm</td>
<td>210 gsm</td>
<td>36%</td>
</tr>
</tbody>
</table>
Weight Differences in North America Even Greater than in Europe

Case from North America

<table>
<thead>
<tr>
<th>Product</th>
<th>Old packaging material</th>
<th>Weight/m²</th>
<th>Weight of Metsä Board’s FBB/m²</th>
<th>Difference in weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food packaging</td>
<td>Solid bleached board</td>
<td>193 g</td>
<td>141 g</td>
<td>27%</td>
</tr>
<tr>
<td>Confectionary</td>
<td>Recycled fibre based cartonboard</td>
<td>406 g</td>
<td>240 g</td>
<td>41%</td>
</tr>
</tbody>
</table>
Strong Focus on Product Development

- Current products continuously improved
  - Latest enhancements launched successfully in Spring 2013
  - New innovations to reduce weight and improvement in visual properties further in the pipeline

- New products and end use areas actively developed. Latest new product introductions:

  **Carta Dedica**
  Light weight cup stock and food service board

  **Carta Allura**
  Luxury packaging board
Metsä Board Enters the Cartonboard Segment for Food Service and Cups with Carta Dedica

- Market growth 4 %/a
  - Global market about 2,5 million tonnes

- The leading responsible brands are favoring more and more paperboard in food service solutions

- Carta Dedica up to 15 % lighter in weight than typical paperboards in food service end use

- Targeted volume already in 2014 over 10 000 tonnes. Mid-term target at least 100 000 tonnes/a
Thanks to the Extensive Development Work Metsä Board is Clearly the Largest Folding Boxboard Producer in Europe

Source: Pöyry Management Consulting Oy
Forerunner in High Quality Linerboards

Seppo Puotinen, Head of Linerboard and Paper BA
Metsä Board Focuses on High Quality Linerboards Made Out of Fresh Forest Fibres

Metsä Board’s products

High Quality Linerboards
3 million tonnes
Growth ~5%/a

Other Linerboards
65 million tonnes
Growth 1-2%/a
Kemi’s White Top Kraftliners a Global Success Story

- Kemi’s coated linerboards are used as the outer layer of high quality flexo printed corrugated boxes used in retail packaging and sales promotion
- Kemi’s linerboards offer superior printing surface balanced with optimized strength properties
- Kemi mill’s capacity is increased from 375 000 to 400 000 tonnes and it focuses almost fully on coated grades by end 2014

One of the very few European forest industry products that have reached the market leadership both in Europe and in North America
Great Start for Husum’s Light-Weight Linerboard Sales

- Husum’s fully bleached liners are specifically designed for high quality offset printed microflute packaging applications

- Pure and safe linerboard from Husum offer great advantages especially in food packaging e.g. pizza boxes and frozen food
  - Husum’s liner in all three layers of corrugated board
  - Replacing mainly recycled fibre paperboard and plastics

- Husum’s coated linerboards offer the best printing surface globally for offset printing and litholamination

- Target is to benefit Husum’s full linerboard annual production potential of about 280 000 tonnes during the next few years
Metsä Board’s New Generation Linerboards Enable Expansion to New Wood Fibre Based Packaging Applications

- Pure and safe fresh forest fibre linerboard is safe to use even in the most demanding food packaging applications

- Microflute boxes offer very high stiffness thanks to special structure

- New applications enable accelerated growth of wood fibre based materials’ share of total packaging material market

*Competitiveness against plastics improving materially especially in food packaging*

Source: Smithers Pira

Global packaging material market, EUR 600 billion

- Wood fibre based materials 36%
- Others 64%
Metsä Board Is Now Able to Offer Even Wider Coverage of High-Quality Paperboards for Consumer Goods Companies and Converters
Metsä Board is Europe’s Second Largest White-Top Fresh Forest Fibre Linerboard Producer. No. 1. When Husum in Full Run

- Smurfit Kappa: 28%
- Metsä Board: 27%
- BillerudKorsnäs: 17%
- Mondi: 14%
- SCA: 11%
- Others: 3%

Capacity: 1,000 t/a

Source: Metsä Board, Pöyry Management Consulting Oy
Advanced Services and Supply Chain

Pasi Piiparinen, Head of Sales, Cartonboard BA
Metsä Board’s Already Top Class Supply Chain Operations Further Improved by Availability Services

- Lean Supply Chain Management project was launched in 2012 to improve
  - Service level experienced by customers
  - Efficiency of supply chain via improved forecasting
  - Reduced working capital

- Services and processes related to supply chain were challenged and redesigned

- Result was six harmonised supply models and efficient processes, implementation in 2013-2014

- Target is 20% reduction in stocks and benchmark level in delivery accuracy and customer service
Technical Customer Service in Key Role to Achieve Growth Targets

- Metsä Board ensures that consumer goods companies and converters can succeed and add value by using our paperboards

- Together with our customers we select an optimal board for each end use, packaging design and printing method

- Metsä Board works also with the customers’ customer to help them create the optimal package from sustainable raw material

- The consultative role of technical customer service is especially important in the markets where the modern FBB is today not widely used, like North America.
Sustainability Services a Major Differentiator Favouring Metsä Board

- Verification of origin of wood raw material
- Services to help customers calculate the environmental impact of different packaging materials throughout the product’s life cycle
- Training for customer’s organisations, sales and production to benefit the sustainability achievements at consumer front
- Superb knowledge of fibres and combination of various pulps makes it impossible to copy our sustainability advantages
Development in North America

Pasi Piiparinen, Seppo Puotinen
Metsä Board’s FBB has proven its competitiveness among North American consumer goods companies and converters.

- It is adding a missing piece to the North American cartonboard offering enabling the enhancement of sustainability.

- In food service business our new Carta Dedica has had a major breakthrough.

- Metsä Board will at least double it’s FBB deliveries in 2013 compared to 2014.
Strong Growth Continues in Linerboards Thanks to Kemi’s Doublecoated Grades and Husum’s New Fully Bleached Products

- Market leadership of Kemi’s white top linerboards will be further strengthened.

- Our growth is further accelerated by Husum’s light weight uncoated and coated liners.
  - Access to corrugated offset applications will enlarge hugely our graspable market potential.

- By combining the Kemi and Husum portfolios, Metsä Board’s target in 2014 is to grow at least 20% in 2014 from the 130 000 tonnes delivered in 2013.

Metsä Board’s fresh forest fibre linerboard deliveries to North America, 1,000 tonnes

<table>
<thead>
<tr>
<th>Year</th>
<th>Delivery (1,000 tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>60</td>
</tr>
<tr>
<td>2010</td>
<td>90</td>
</tr>
<tr>
<td>2011</td>
<td>120</td>
</tr>
<tr>
<td>2012</td>
<td>150</td>
</tr>
<tr>
<td>2013</td>
<td>+70%</td>
</tr>
</tbody>
</table>
Thank you!

QA