

Financial Update and Competitor Benchmarking

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Capital Markets' Day
10 June 2010



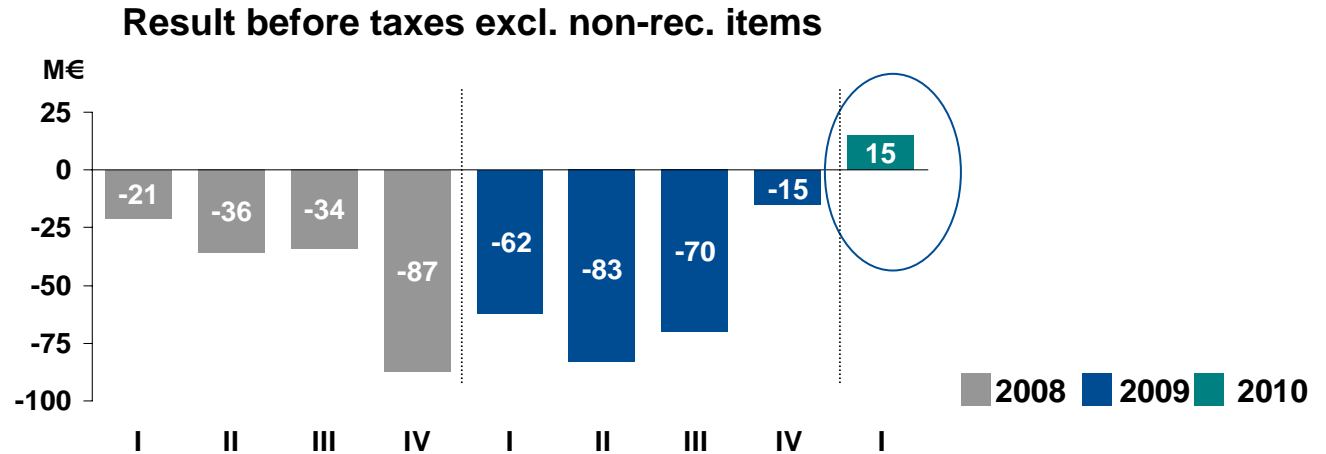
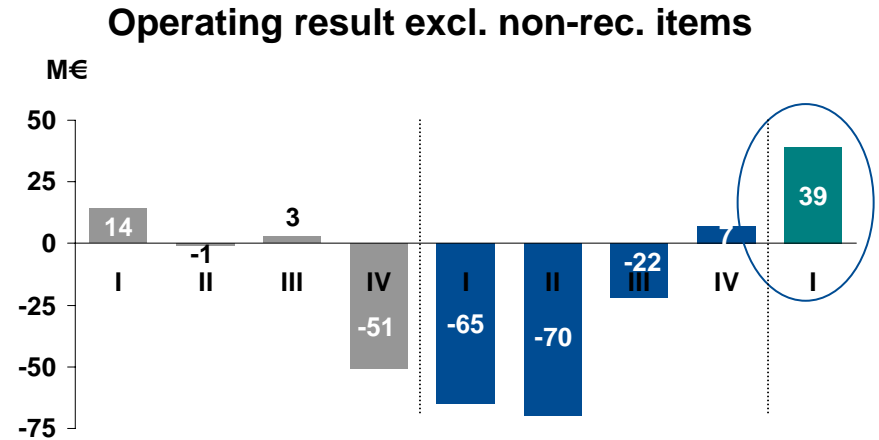
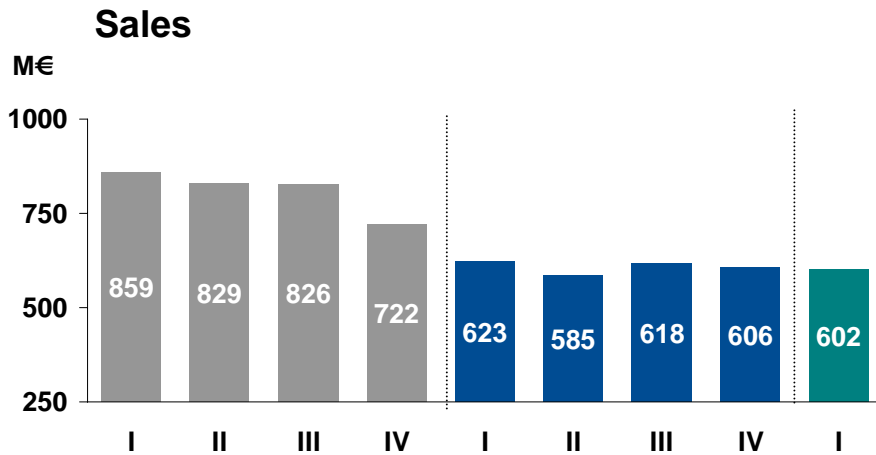
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Profitability Development

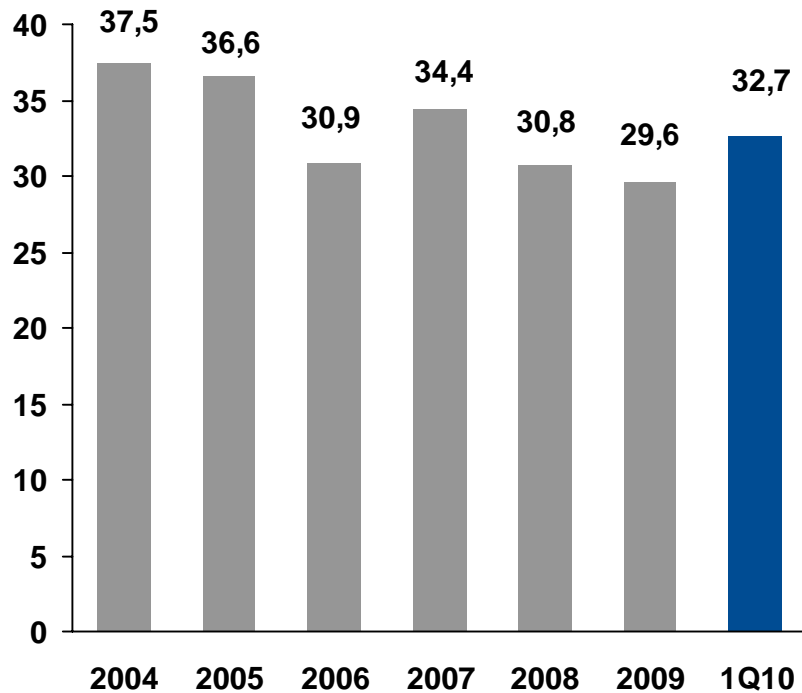


Key Figures – Quarterly

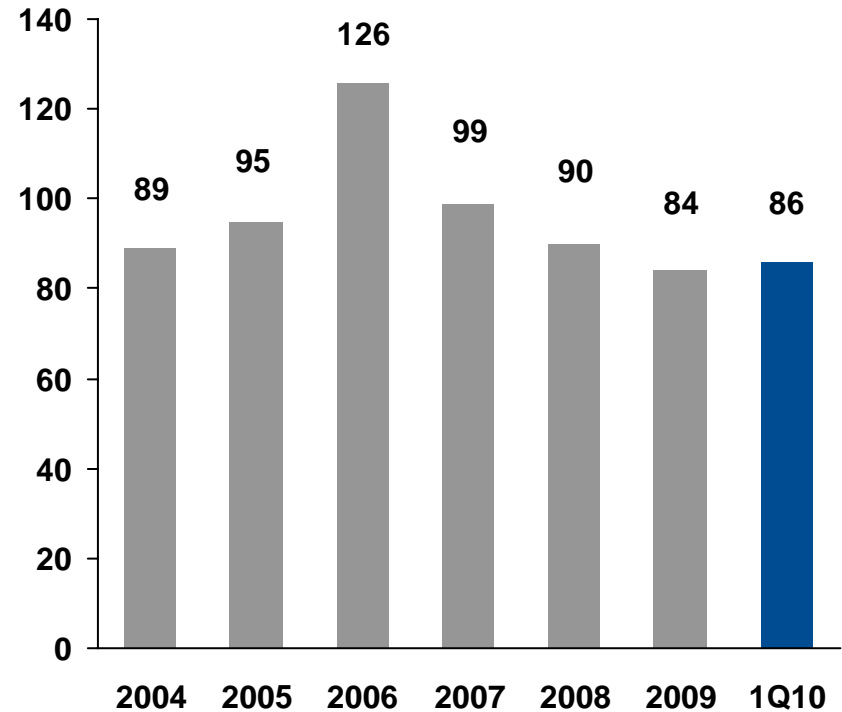


Balance Sheet Ratios

Equity Ratio



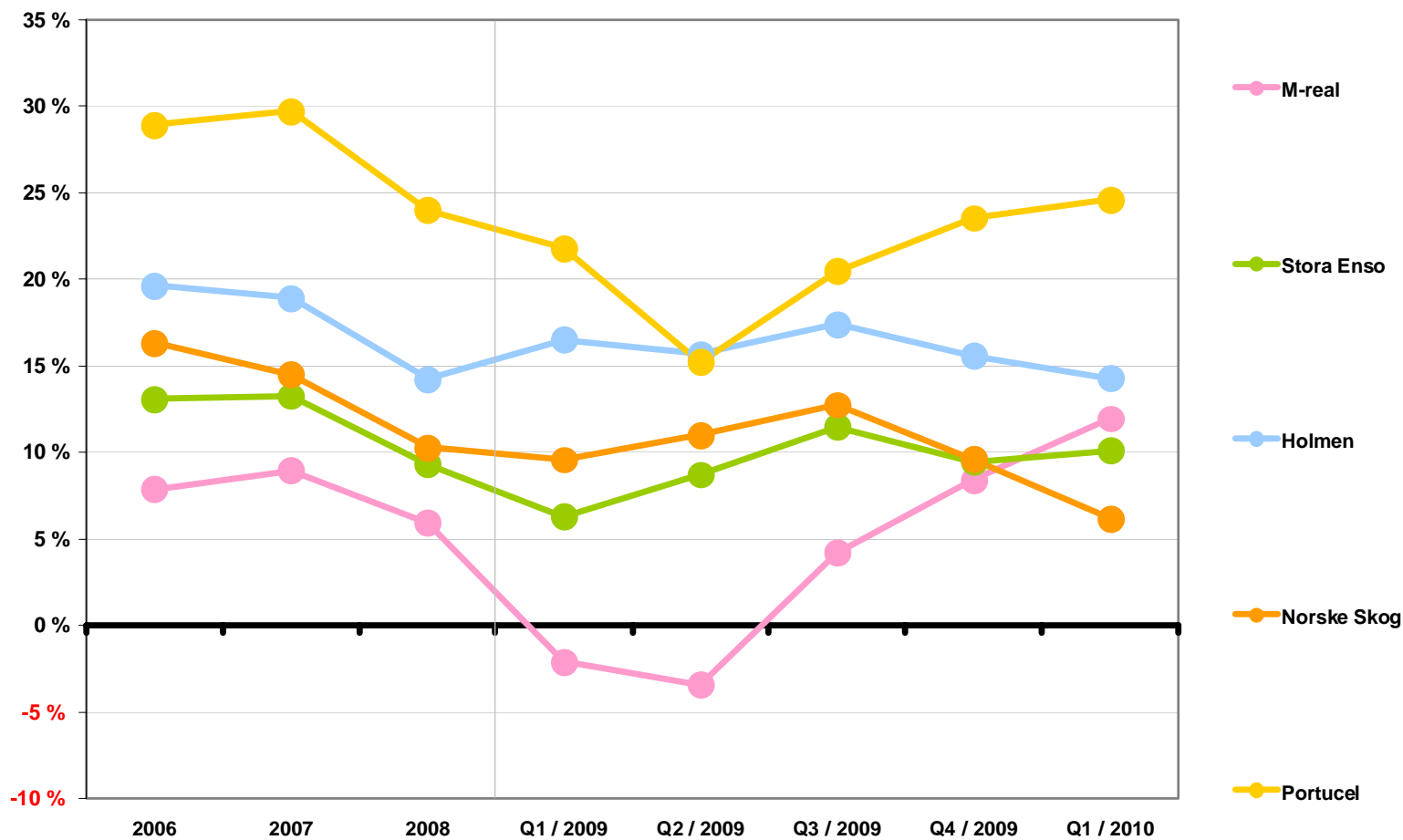
Net gearing



Benchmarking

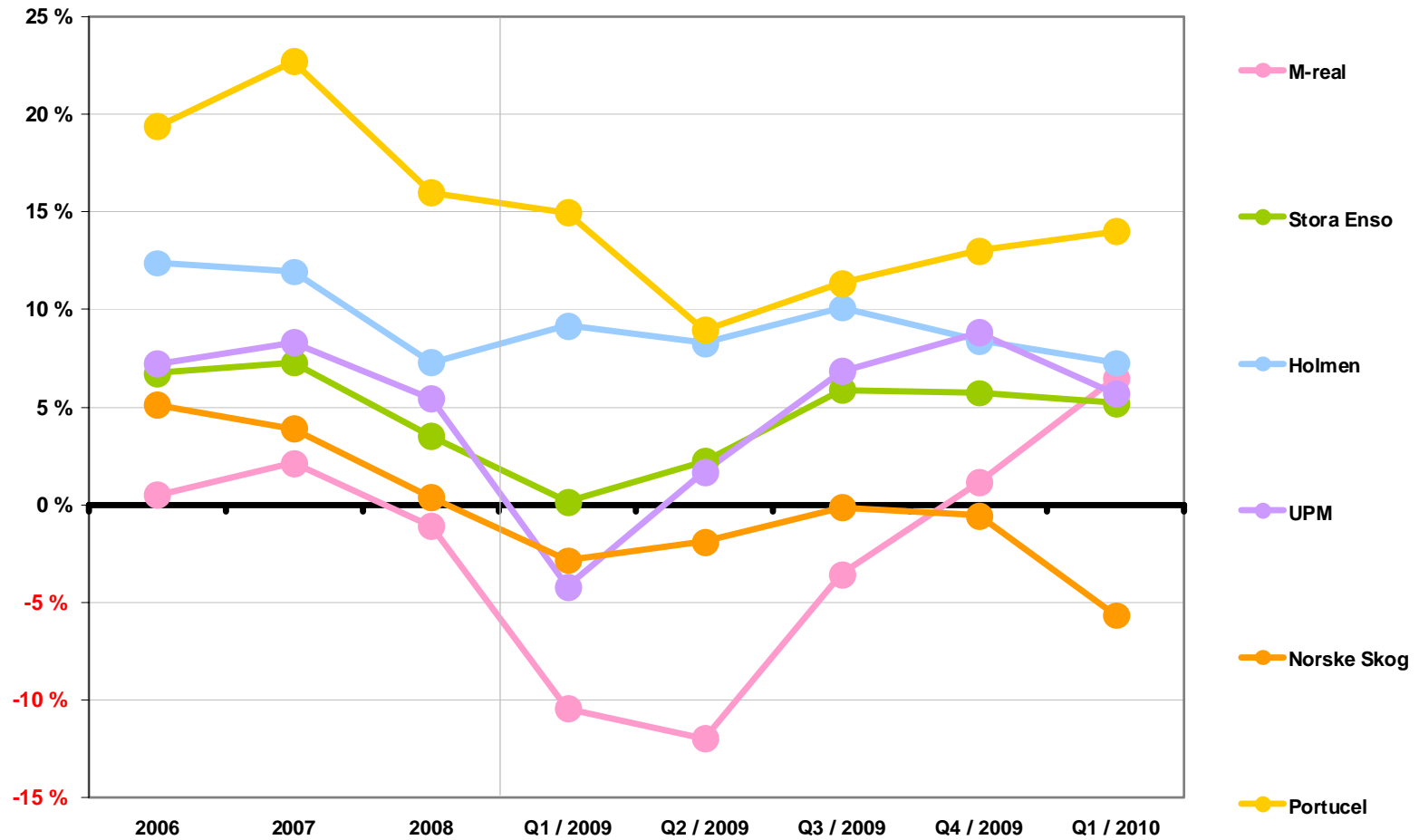


EBITDA Comparison – Significant Improvement in M-real's Profitability



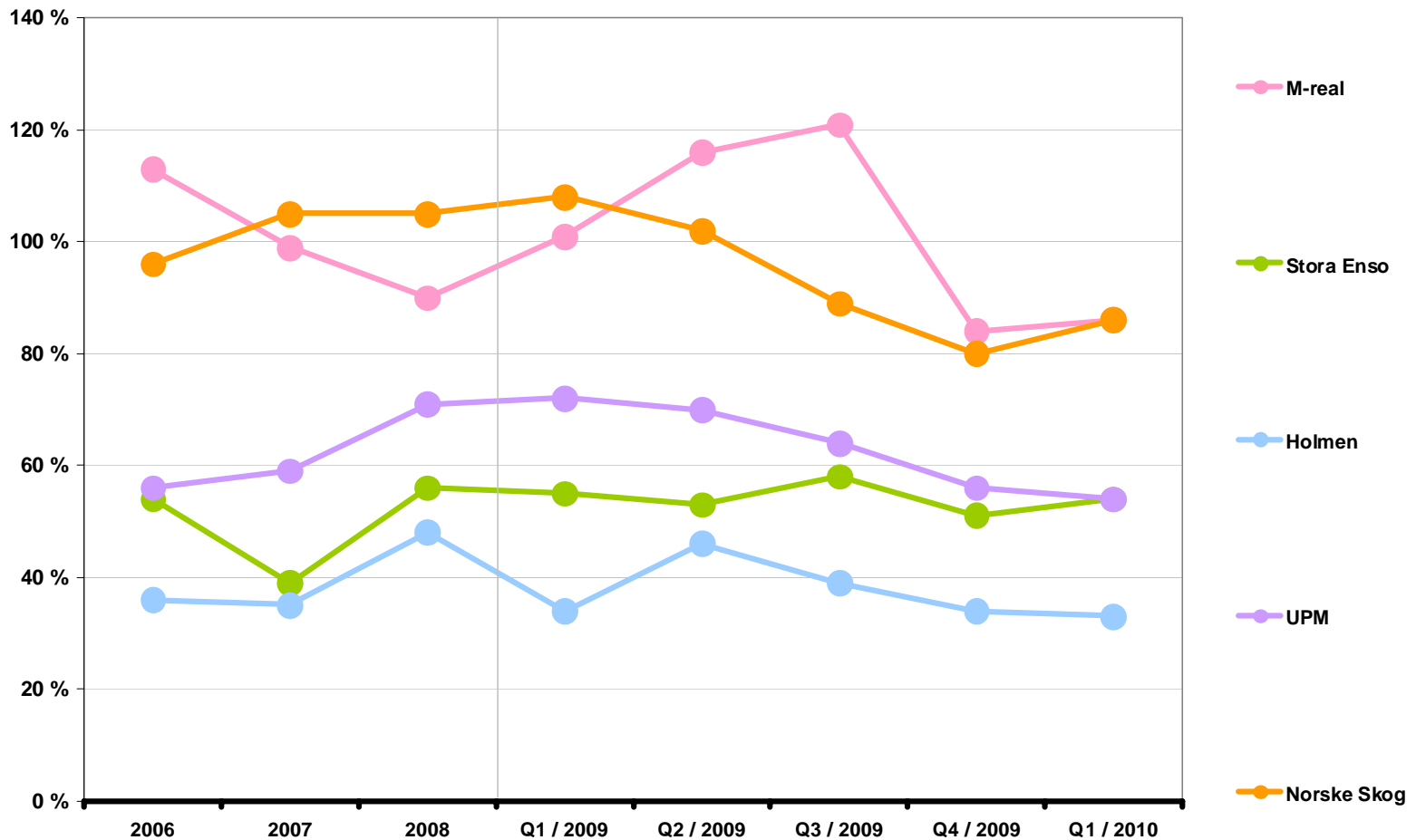
*) Excluding one-offs; Stora Enso 2006 with old structure

EBIT Comparison



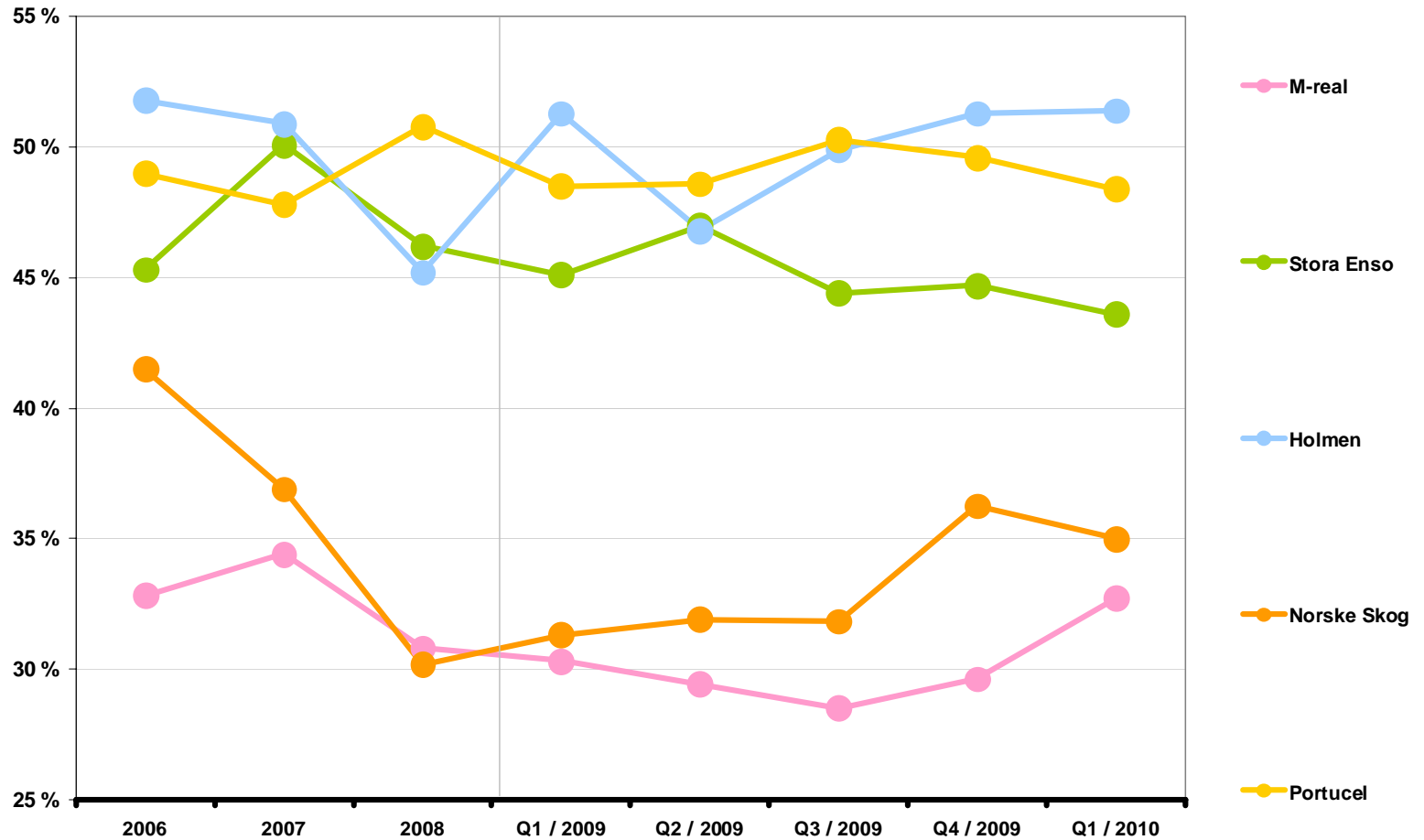
*) Excluding one-offs; Stora Enso 2006 with old structure

M-real's Net Gearing Close to Satisfactory Level



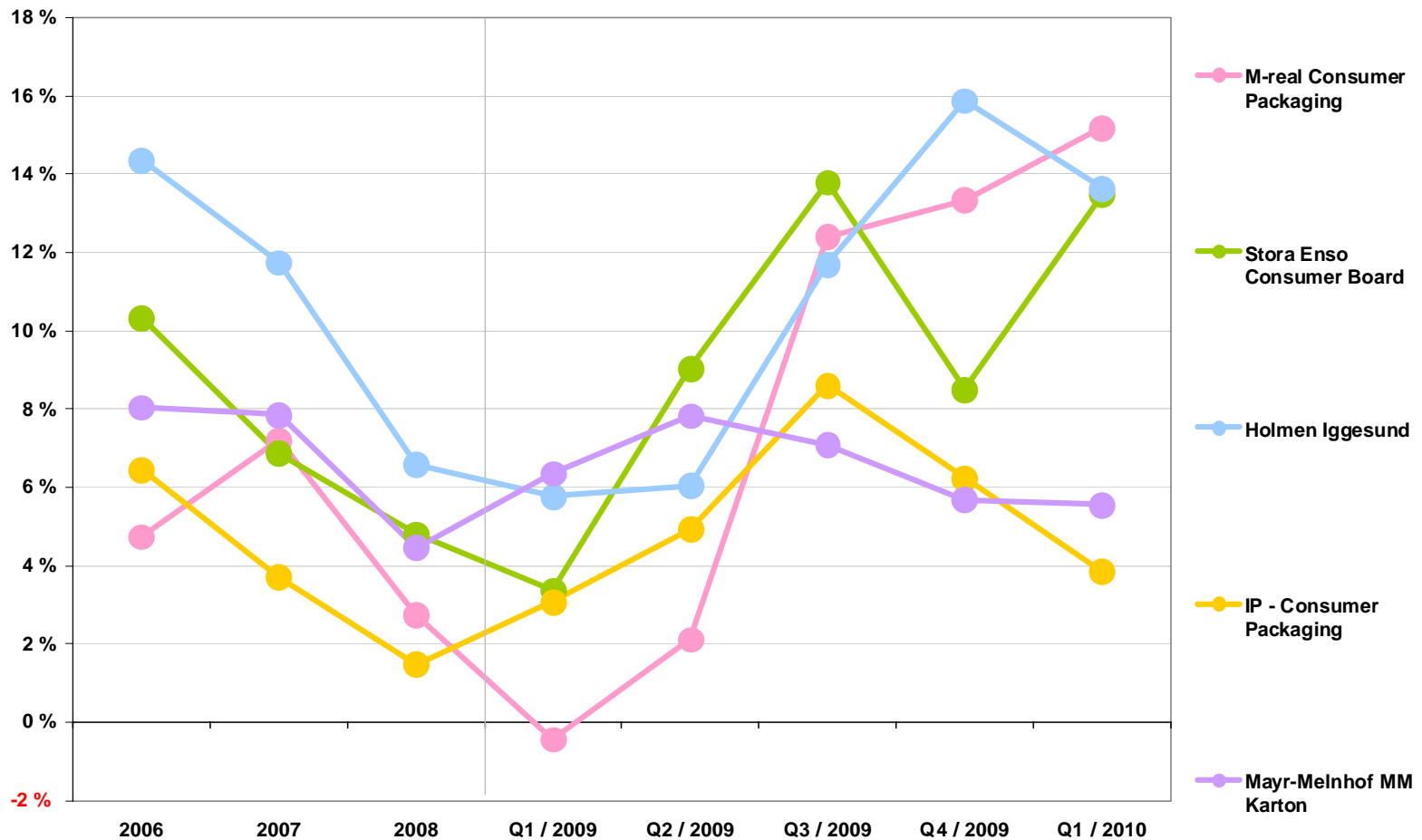
*) Stora Enso 2006 with old structure

Also Equity Ratio Improving



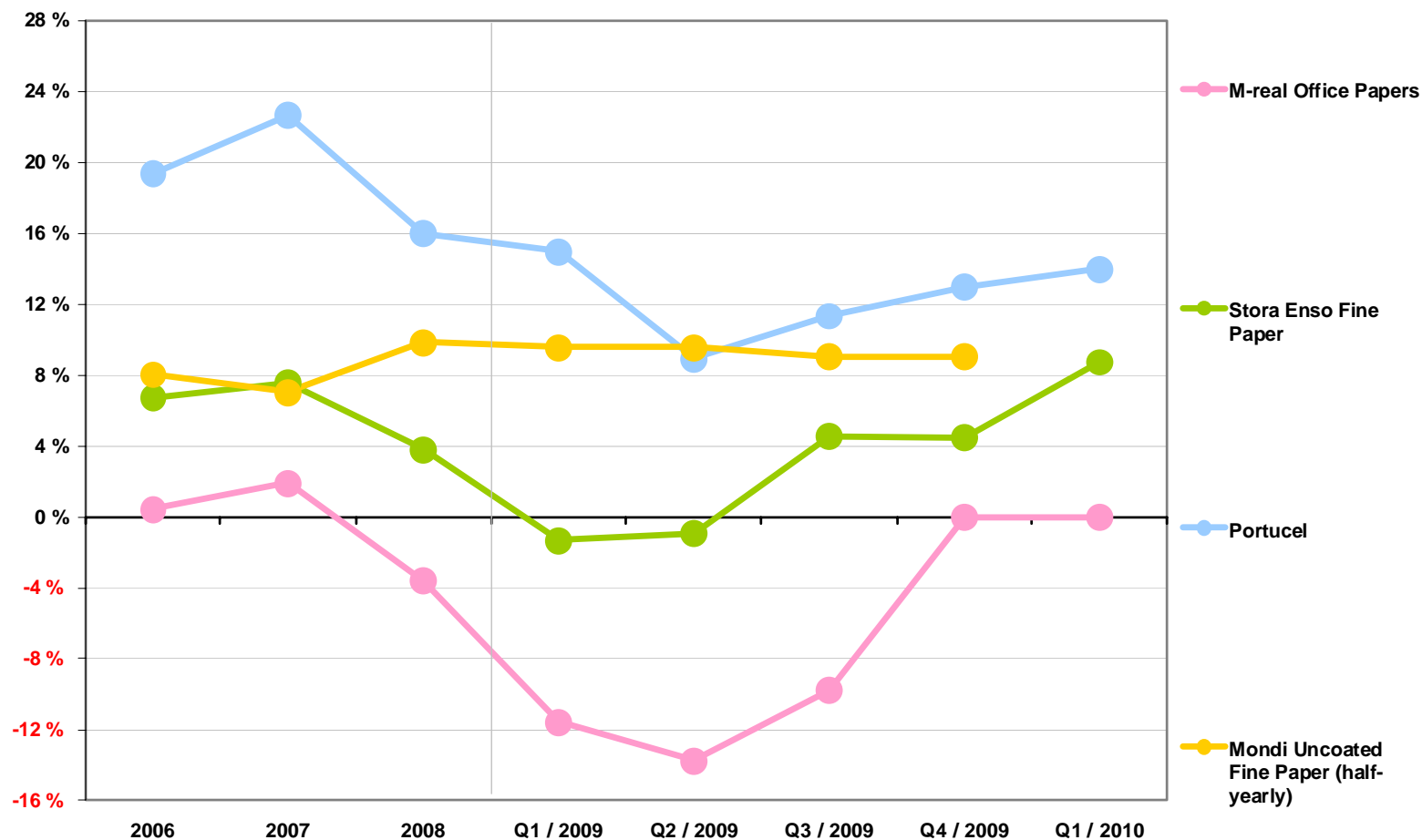
*) Stora Enso 2006 with old structure

M-real the Most Profitable Cartonboard Company in the 1Q 2010



*) Excluding one-offs

Competitiveness in Uncoated Fine Paper Not Yet Satisfactory



*) Excluding one-offs

Profit Improvement Programme 2010



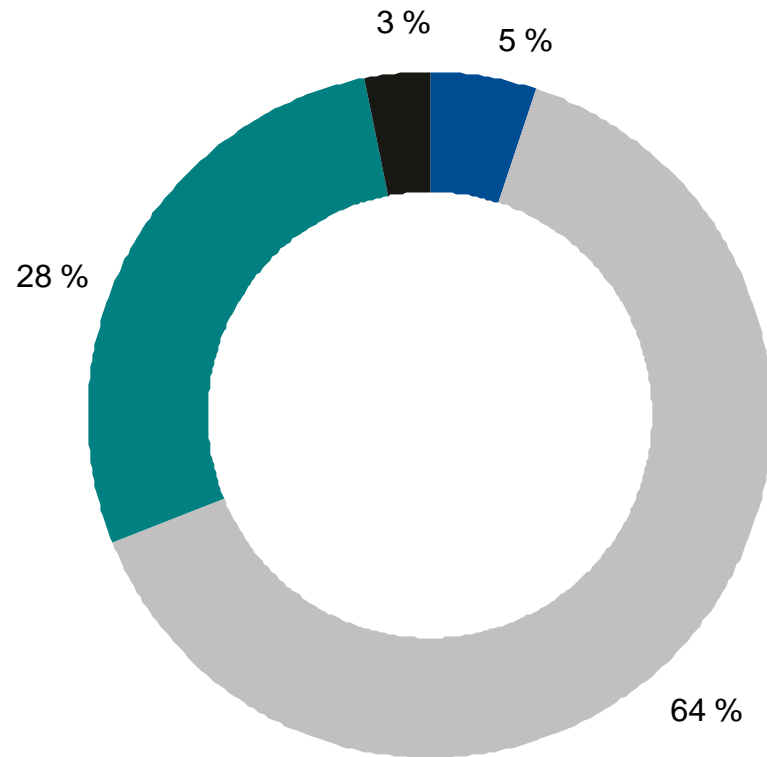
M-real's Recent Profit Improvement Programmes

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
Total	160	100	160

Main 2010 Profit Improvement Measures

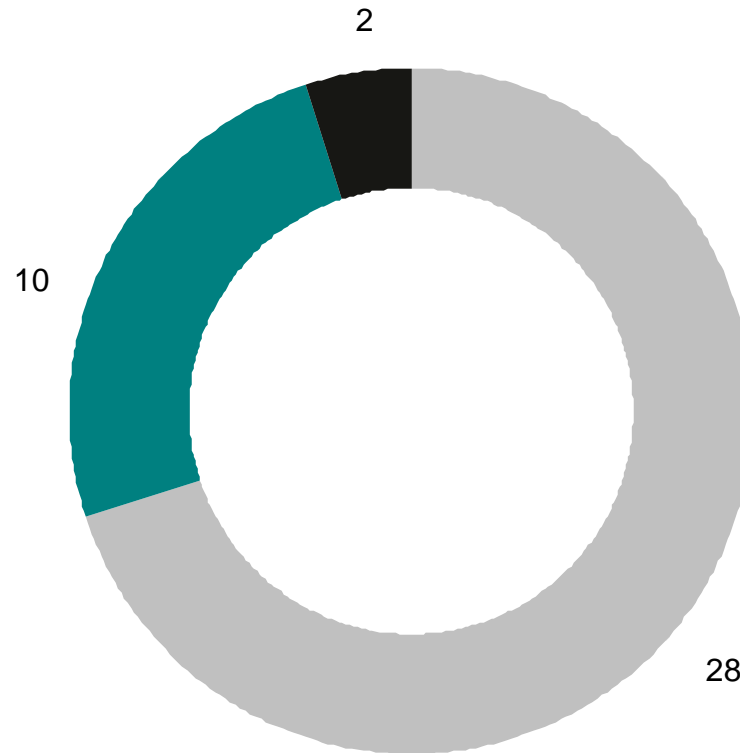
- Profit improvement measures announced in December 2009
 - Plan to permanently shut down the Alizay pulp mill
 - EUR 22 million investment at Husum mill to improve its energy efficiency
 - New EUR 20 million internal profit improvement programme covering all M-real's business areas
 - The planned closures of two speciality paper machines in Reflex mill
 - The streamlining of the organizations in both Gohrsmühle and Reflex mills
- Total result improvement EUR 80 million
- Expected result improvement EUR 40 million in 2010

Value of Action per Business Area – Total 80 M€



■ Consumer Packaging ■ Office Papers ■ Speciality Papers ■ Market Pulp & Energy

EBITDA Impact 2010 – Total 40 M€



■ Consumer Packaging ■ Office Papers ■ Speciality Papers ■ Market Pulp & Energy

Price Increases



M-real Shows Market Leadership in Price Increases

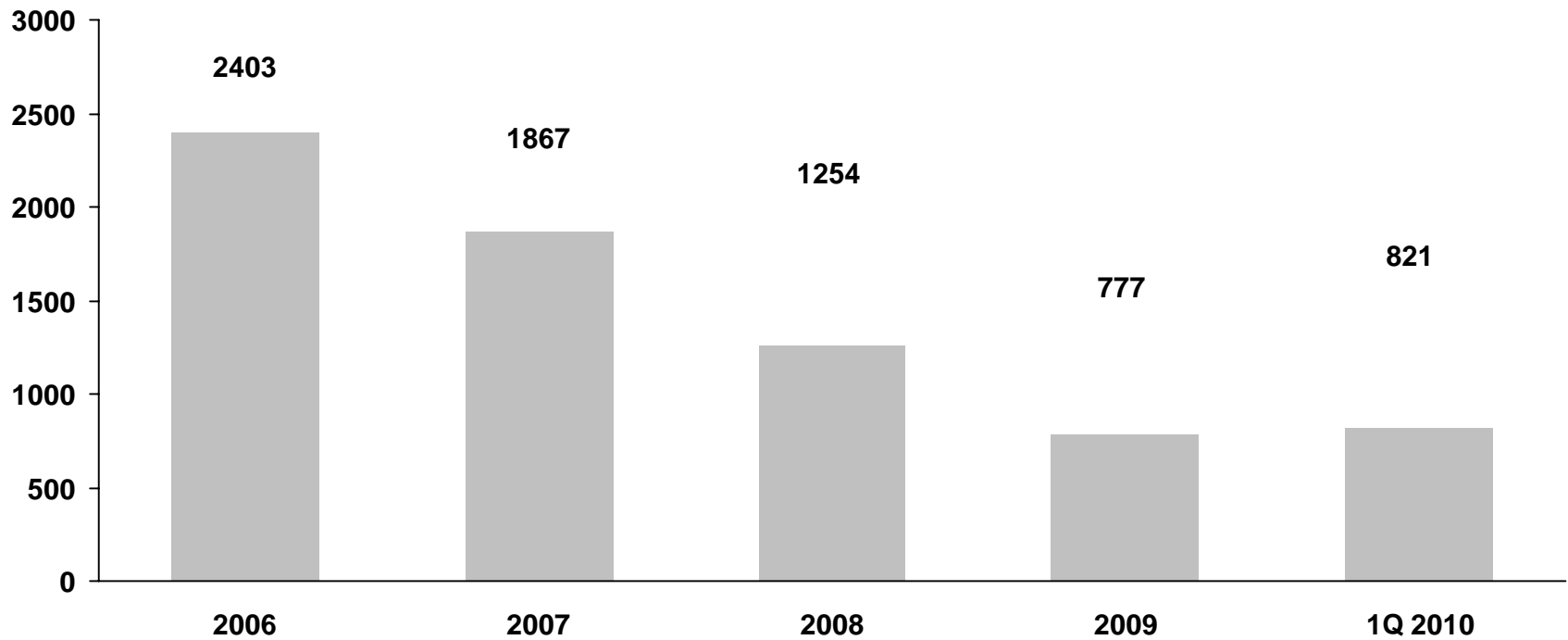
- Price increases of about 10% in FBB and linerboard in process
 - Slight improvement in average price expected by end 2Q
 - Prices for customers with long-term contracts increased at around year end
- WFU price increase of about 8% implemented in March
 - Additional 15% from May in negotiations
 - In total about 10% improvement in average price expected by end 2Q
- Price increases in speciality papers up to 10% in process
 - At least 3% improvement in average price expected by end 2Q

Increase estimates based on current sales mix and exchange rates

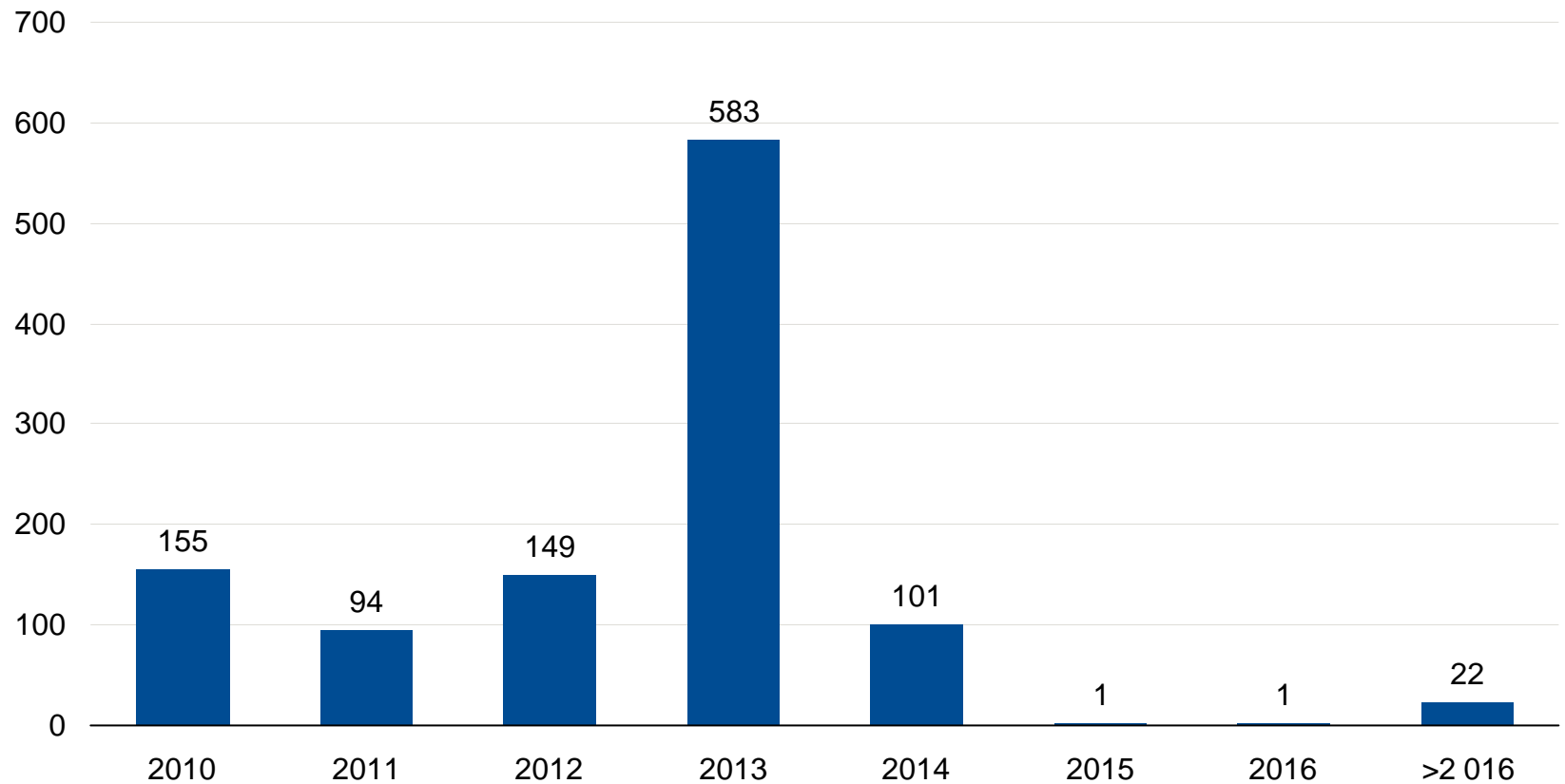
Financing



Interest-Bearing Net Debt



Long-Term Interest Bearing Liabilities 31.3.2010



Next Steps in Financing

- Near-term maturities to be handled with cash and pension loan facilities
- Next major financing arrangements in coming years will include
 - A new back-up liquidity facility
 - Refinancing of the EUR 500 million bond (due 2013)
- The timing of new arrangements will be dependent on market environment and overall liquidity situation

Thank You!

