

Metsä Group's investments

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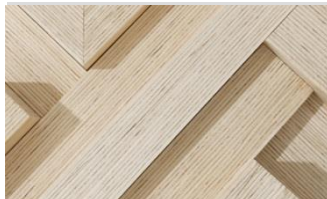
METSÄ GROUP | Sales* EUR 5.7 billion | Personnel 9,300 | Renewable energy 28,4 TWh

METSÄLIITTO COOPERATIVE | Group's parent company | Owned by 103,000 Finnish forest owners



METSÄ FOREST
Wood supply and
forest services

Sales:
EUR 2.0 billion
Personnel:
840



METSÄ WOOD
Wood products

Sales:
EUR 0.4 billion
Personnel:
1,500



METSÄ FIBRE
Pulp and
Sawn Timber

Sales:
EUR 2.5 billion
Personnel:
1,200



METSÄ BOARD**
Paperboard

Sales:
EUR 1.9 billion
Personnel:
2,400



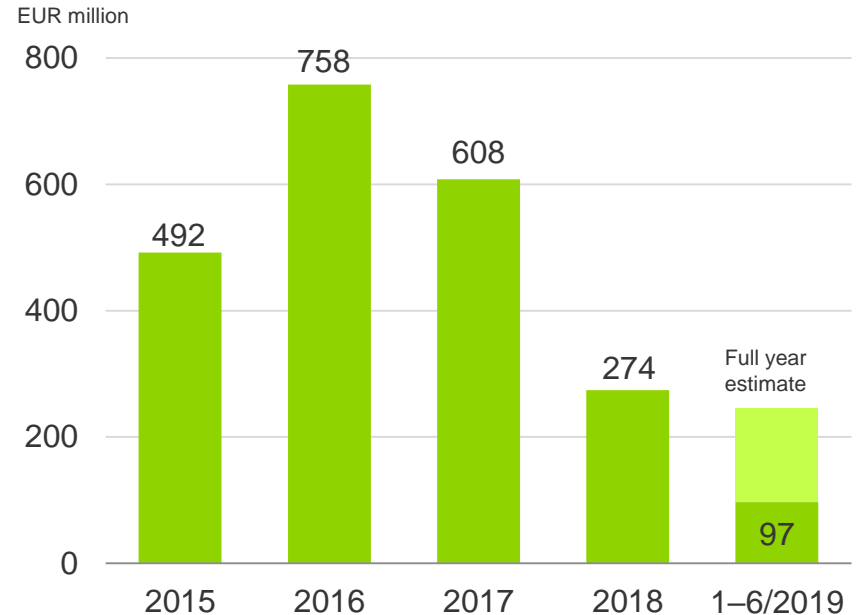
METSÄ TISSUE
Tissue and
Greaseproof Papers

Sales:
EUR 1.0 billion
Personnel:
2,800

METSÄ SPRING | Innovation Company

Metsä Groups investments 2015-2019

- Tissue and cooking paper investments in Germany and Slovakia
- Folding box board machine in Husum
- Bioproduct mill in Äänekoski
- New LVL-line in Lohja
- BCTMP-mill improvement in Kaskinen
- Plywood production in Äänekoski-Pärnu
- New LVL-line in Punkaharju



Metsä Group has started pre-engineering related to three investments worth EUR 2 billion in total

- New bioproduct mill in Kemi
- New pine sawmill in Rauma
- First phase in renewing the Husum pulp mill in Sweden



New Kemi mill would be the biggest forest industry investment in Europe

- EUR 1.5 billion investment
 - Pulp production capacity 1.5 million tonnes (currently 0.6)
 - Wood consumption 7.6 million m³/a (3.1)
 - Self-sufficiency in electricity 250 per cent
 - Sidestreams utilized 100%. No fossil fuels used
 - Kemi's industrial site to become a versatile bioeconomy ecosystem
-
- Final investment decision in summer 2020



New Rauma sawmill world's most modern and efficient

- The goal is to build the world's most efficient and modern single-line pine sawmill.
- EUR 200 million investment
- Pine sawn timber production 750 000 m³/a
- Annual sawlog consumption 1,5 million m³
- Sidestreams utilized 100% at the site. No fossil fuels used

- The level of technology and utilization of data will be raised clearly higher compared to current sawmills

- Final investment decision in early 2020



Husum pulp mill to be renewed

- Metsä Board commences pre-engineering of the first phase of the renewal of Husum integrate's pulp mill in Sweden
- Roughly EUR 300 million investment in new recovery boiler and turbine in 2019-2022
- The mill's two fibre lines are planned to be replaced with one new line in the second phase of the renewal in the 2020's
- Pulp production capacity of roughly 750 000 tonnes/a would remain unchanged, but the mill's cost competitiveness would improve clearly
 - Roughly half of the pulp used in own paperboard production at the site
- Final investment decision in the last quarter of 2019 at the earliest



Investments in Kemi and Rauma would have significant economic impacts in Finland

- Over EUR 0.6 billion increase in annual income
- EUR 0.7 billion increase in exports
- Annual increase in the use of wood of about 6 million cubic meters
- Approximately 2,000 new jobs mainly in wood sourcing and logistics
- Construction phases' employment approximately 11,500 person-years
- Share of renewable energy in Finland would increase by approximately 2 %-units



Prerequisites for investment decisions

- Securing wood sourcing
- Preconditions for smooth logistics
- Development of world economy, and especially Asian economy
- Results of environmental impact assessments
- Environmental permits
- Development of financial markets and export financing
- Cooperation with several parties related e. g. to wood sourcing, logistics, town planning and permits



Forest industry investments under consideration in Finland

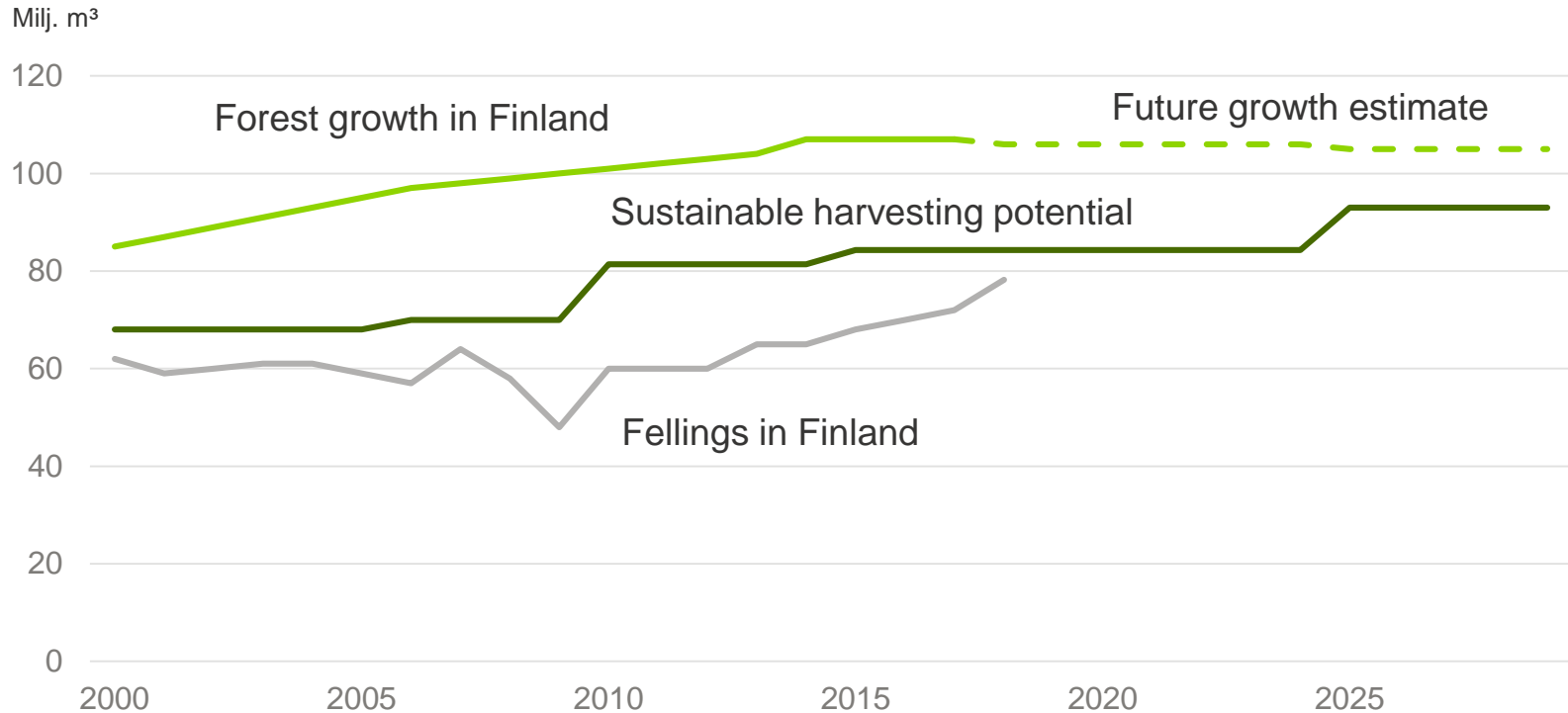
- There are several projects and plans under consideration for investments in forest industry in Finland
- Potential investors originated from Finland and abroad, especially China
- Projects and plans are in various stages from feasibility studies to acquired environmental permits

Investments under consideration, with approximate wood use:

- Finnpulp in Kuopio, 6-7 million m³
- Kaidi in Kemi, 2-3 million m³
- Boreal Bioref and Camce in Kemijärvi, 2-3 million m³
- KaiCell Fibers in Paltamo, 2-3 million m³
- Stora Enso in Oulu, 0,5-1 million m³
- Metsä Fibre in Kemi, 4.5 million m³
- Metsä Fibre Rauma, 1,5 million m³
- In addition several plans for investments in mechanical industry, estimated annual increase in log use 2 million m³

Source: Public information

The use of Finnish wood can be increased sustainably somewhat



Make the most of Metsä

