

P R E S S R E L E A S E

GASCOGNE FINALISES THE SALE OF ITS SITE GASCOGNE LAMINATES SWITZERLAND TO UPM RAFLATAC

Gascogne Group, a major player in the French wood industry, present at every stage in optimising the forest resource, has finalised the sale of Gascogne Laminates Switzerland assets to UPM Raflatac, announced on 1 June 2012.

This disposal is in line with the Gascogne Group corporate strategy defined in September 2011, aiming at refocusing on its core businesses and deleveraging its financial structure.

Pursuant to the conciliation agreement signed with its banking partners and its shareholder EEM, as approved by the Commercial Court in Dax on 18 July 2012 (see press release dated 19 July 2012), the income from selling Gascogne Laminates Switzerland assets shall go towards reducing the Group's bank debts.

As part of this transaction, a liability guarantee, standard procedure in such cases, was provided by Gascogne Laminates Switzerland, counter guaranteed by its parent company, Gascogne SA.

About UPM Raflatac: part of UPM's Engineered Materials business group, is one of the world's leading suppliers of self-adhesive label materials. UPM Raflatac has a global service network consisting of 13 factories on six continents and a broad network of sales offices and slitting and distribution terminals worldwide. UPM Raflatac employs 2,400 people and made sales of over EUR 1.1 billion (USD 1.6 billion) in 2011. Further information is available at www.upmraflatac.com.

About UPM: leads the integration of bio and forest industries into a new, sustainable and innovation-driven future. Our products are made of renewable raw materials and are recyclable. UPM consists of three Business Groups: Energy and pulp, Paper, and Engineered materials. The Group employs around 24,000 people and it has production plants in 16 countries. UPM's annual sales exceed EUR 10 billion. UPM's shares are listed on the NASDAQ OMX Helsinki Stock Exchange. UPM – The Biofore Company – www.upm.com

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About Gascogne group: Major player in the French wood industry, the Gascogne group is present at every stage in optimising the forest resource; it is the only French player fully integrated throughout the entire chain of the wood-paper-conversion sector. It has four complementary divisions: Gascogne is France's leading multi-specialist producer of wood products, the world's leading producer of natural machine glazed kraft paper, one of the European leaders of industrial and consumer sacks and one of the world's leading producers of laminates for packaging and protection applications.