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COMP/M.4604 - CAPMAN / WALKI WISA

SECTION 1.2

Description of the concentration

In the proposed transaction UPM-Kymmene Corporation is selling through the Share Purchase Agreement signed on 26 February 2007 to Ramvais Oy the shareholdings in three companies comprising Walki Wisa Group. Ramvais Oy is a company belonging to the CapMan group of companies, whose ultimate parent company is CapMan Plc. CapMan is a Nordic private equity investor. CapMan's operations consist of private equity fund management and advisory services. Investment activities are divided into direct investments in portfolio companies and European fund investments. At the end of December 2006, CapMan managed/advised funds with € 2,549.6 million in total capital. Walki Wisa is a producer of wrappings and composite materials for industrial applications. Its products are used in, among other sectors, paper, metal and packaging industries. The production plants are located in Finland, Sweden, Germany, Great Britain and China. Walki Wisa's sales amounted to € 287 million in 2006. Walki Wisa employs about 950 people.

The sale of Walki Wisa Group complies with UPM-Kymmene's strategy to divest noncore businesses. With this sale, UPM-Kymmene will focus on developing its converting operations on the rapidly growing self-adhesive labelstock and RFID business, in which UPM has invested over recent years. CapMan's experience in company growth and internationalisation together with Walki Wisa's solid production are good starting points for Walki Wisa to operate independently also in the future. CapMan will develop Walki Wisa as an independent company through organic growth and acquisitions and investigate opportunities to continue expansion investments in China, among others.