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euro adhoc: Andritz AG / other / Andritz to supply the main process equipment for Botnia's pulp mill in Uruguay

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Graz/Helsinki, 18 May 2005. Oy Metsä-Botnia Ab and Andritz Oy have signed a letter of intent under which Andritz will supply the main process equipment for Botnia's pulp mill currently being built in Uruguay. The agreement encompasses a fiberline - from wood handling through to pulp drying - as well as a chemicals recovery system. The value of the order is over EUR 200 million. With the exception of the pulp dryers, all the main equipment - representing more than half of the order - will be manufactured in Finland.

The mill will produce one million t/a of eucalyptus pulp and cost approximately USD 1.1 billion to build. Start-up is scheduled for the third quarter of 2007. The mill is being built in the town of Fray Bentos in the west of Uruguay.

The mill's main process equipment will represent the industry's latest technology and will thus ensure minimal environmental emissions, cost-effective production and the very highest quality pulp.

The final contracts with the equipment suppliers will be signed during the next coming months, and further details will be announced then.

About Andritz

Andritz Oy - member of the Andritz Group - is one of the world's leading suppliers of integrated systems, equipment and services to the pulp and paper industry. Its products cover wood handling, pulping processes, chemicals recovery and stock preparation. The company employs some 900 people in Finland and has sites in Helsinki, Kotka, Savonlinna, and Varkaus. www.andritz.com

About Metsä Botnia

Botnia is one of the leading chemical pulp producer companies in Europe, with a capacity of 2.7 million t/a of bleached softwood and hardwood pulps. Botnia has five mills, all of them located in Finland. The company has some 2,000 employees and had a turnover of just over EUR one billion. Botnia's owners are UPM-Kymmene Corporation (47%), M-real Corporation (39%) and Metsäliitto (14%). www.metsabotnia.com

Disclaimer

Certain statements contained in this report constitute "forward-looking statements". These statements, which contain the words "believe", "intend", "expect" and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

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