

PRESS RELEASE, free for publication

On 29 June 2012, Pölkky Oy and UPM signed a contract on the acquisition of Kajaani Sawmill by Pölkky Oy. The business operations will be transferred to the new owner in the beginning of September. With this acquisition, the Pölkky Oy sawing capacity will rise to 650 000 m<sup>3</sup>.

Pölkky Oy is a family-owned wood processing company situated in Kuusamo, Northeast Finland. The company has sawmills and wood processing facilities in Kuusamo and Taivalkoski, and a pressure treatment facility in Oulu. The Pölkky Group employs some 230 professional workers, and the company turnover is approximately 130 million euros per year.

”Kajaani Sawmill is a strong addition to our production concept which is founded on quality raw material procured from Northern Finland. After this transaction we are able to provide even better service for our customers, both in Finland and abroad,” says Pölkky Oy Managing Director Jouko Virranniemi.

“Today, the situation in end-product market is challenging. With efficient production, correct cost structure and high-quality operations, competitiveness can be maintained also in future. An extensive market area, the further development of our service concept, and the high-quality, competitive Pölkky product family will ensure continuing success for us in the global market.”

Kajaani Sawmill will contribute to the wood procurement of the Pölkky sawmills, and strengthen the distribution of work of the Pölkky facilities. The increasing sawn timber production capacity and product distribution will improve the Pölkky product family and the service linked to it. The productivity and quality of further processing will improve with the company’s increased own production of sawn timber. In future, a comprehensively competitive and profitable production of sawn timber is a prerequisite for the development of processed products.

Since 1990, Pölkky Oy has invested more than 70 million euros in mechanical wood processing. The acquisition of Kajaani Sawmill marks one step in this development, which aims at improving the competitiveness of the company in future. Export to more than 20 countries brings in 70 % of the annual turnover of Pölkky Oy. However, the domestic market share will still be considered very important in future.

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