



**Agreement between METabolic EXplorer and UPM
about the development of a MPG technology
based on second-generation, cellulosic sugars**

Clermont-Ferrand, June 11 2015 - In line with its strategy to valorize its different technologies, METabolic EXplorer (METEX) announces today the signature of a Joint Development Agreement (JDA) with UPM aiming at developing a production process for MonoPropylene Glycol (MPG or 1,2-propanediol) from cellulosic sugars, using METEX' proprietary technology.

The two companies will develop the first MPG process using fermentation of second-generation cellulosic sugars. The technology integration will create a breakthrough in producing biochemical products from fermentable cellulosic sugars that have no competing food use, unlike first-generation sugars such as sucrose. MPG is currently used in various applications ranging from unsaturated polyester resins to paints, solvents, performance fluids, pharmaceuticals and personal care products. This innovative and competitive process will especially meet the growing consumer demand for sustainable and bio-based MPG. The market for MPG is worth €2.7 billion¹ with an estimated production volume of approximately 2 million tons.

Under the JDA, METEX will further enhance its current proprietary sucrose-based MPG process, by modifying its already existing MPG strain and by adapting its pilot-scale process, in order to allow the use of cellulosic sugars. This JDA follows successful tests made by METEX for the use in fermentation of cellulosic sugars from various origins.

This bilateral JDA has been signed in connection with the signature of a multilateral "ValChem" Consortium Agreement, of which UPM and METEX are members (please see the UPM press release about Valchem dated June 11 2015).

The MPG industrial demonstration will be performed in the METEX facility in Clermont-Ferrand, France. METEX will carry out this project without the need of any significant additional resources in terms of manpower or equipment. METEX will receive funding for this project from UPM as well as from the Bio Based Industries Joint Undertaking² in the form of development fees and milestones payments. The financial terms and conditions of the Agreement remain confidential.

Upon successful completion, METEX will deliver an industrial process-book for the production of MPG based on 2G-sugars. This will be an important milestone for METEX' strategy to commercialize this proprietary technology through granting limited-exclusivity licenses to potential leading industrial companies, including to UPM if UPM were to decide, at this point in time, to also industrialize this process.

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About METabolic EXplorer - www.metabolic-explorer.com

METabolic EXplorer is a biological chemistry company which was incorporated in 1999. Its goal is to help industrial businesses deal with the rise in oil prices, so that they can continue their production, in a different, sustainable way.

Based on the tried and tested principle of industrial fermentation, METabolic EXplorer's solutions replace today's petrochemical processes with the use of a wide range of plant-based raw materials.

¹ Source: *Icis Pricing, average price 2012-2014, Spot, MPG Industriel FD NEW.*

² *BBI-JU: a new €3.7 billion public-private partnership between the European Union and the Bio-based Industries Consortium (BIC) aiming at increasing investment in the development of a sustainable bio-based industry sector in Europe. UPM is one of the founding members of BIC.*

By optimizing the metabolic yield of non-pathogenic bacteria in a contained, controlled environment, and by delivering process books elaborated in its pilot facility, the company facilitates the production of chemical compounds used in a wide range of everyday goods (textile fibres, plastics, resins, solvents or animal feed supplements).

METabolic EXplorer is currently focusing its alternative processes on the production of three compounds that together have an estimated, annual, end-market value of €7 billion. The company's strategy will be implemented through industrial partnerships in the shape of licenses and joint ventures, as well as own-account production units.

METabolic EXplorer, based in Clermont-Ferrand, France, is listed on NYSE Euronext in Paris (Compartment C, METEX) and is part of the CAC Small index and EnterNext Tech40 label.

Get free financial information on METabolic EXplorer by registering with:
www.metabolic-explorer.com or www.actus-finance.com

About UPM

Through the renewing of the bio and forest industries, UPM is building a sustainable future across six business areas: UPM Biorefining, UPM Energy, UPM Raflatac, UPM Paper Asia, UPM Paper Europe and North America and UPM Plywood. Our products are made of renewable raw materials and are recyclable. We serve our customers worldwide. The group employs around 20,000 people and its annual sales are approximately EUR 10 billion. UPM shares are listed on NASDAQ OMX Helsinki. UPM – The Biofore Company – www.upm.com

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This communication includes forward-looking information which is subject to risks and uncertainties. The potential development of the company could be substantially different from that anticipated in this press release because of the various risk factors which are described in the company's Listing Prospectus.