

Annual General Meeting

20 March, 2001

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates.

Year 2000 in brief

- Good year and favourable markets
- Approval and completion of the acquisition of Consolidated Papers
- Listing on the New York Stock Exchange
- Restructuring continued
- All financial targets were met
- Stora Enso merger completed successfully

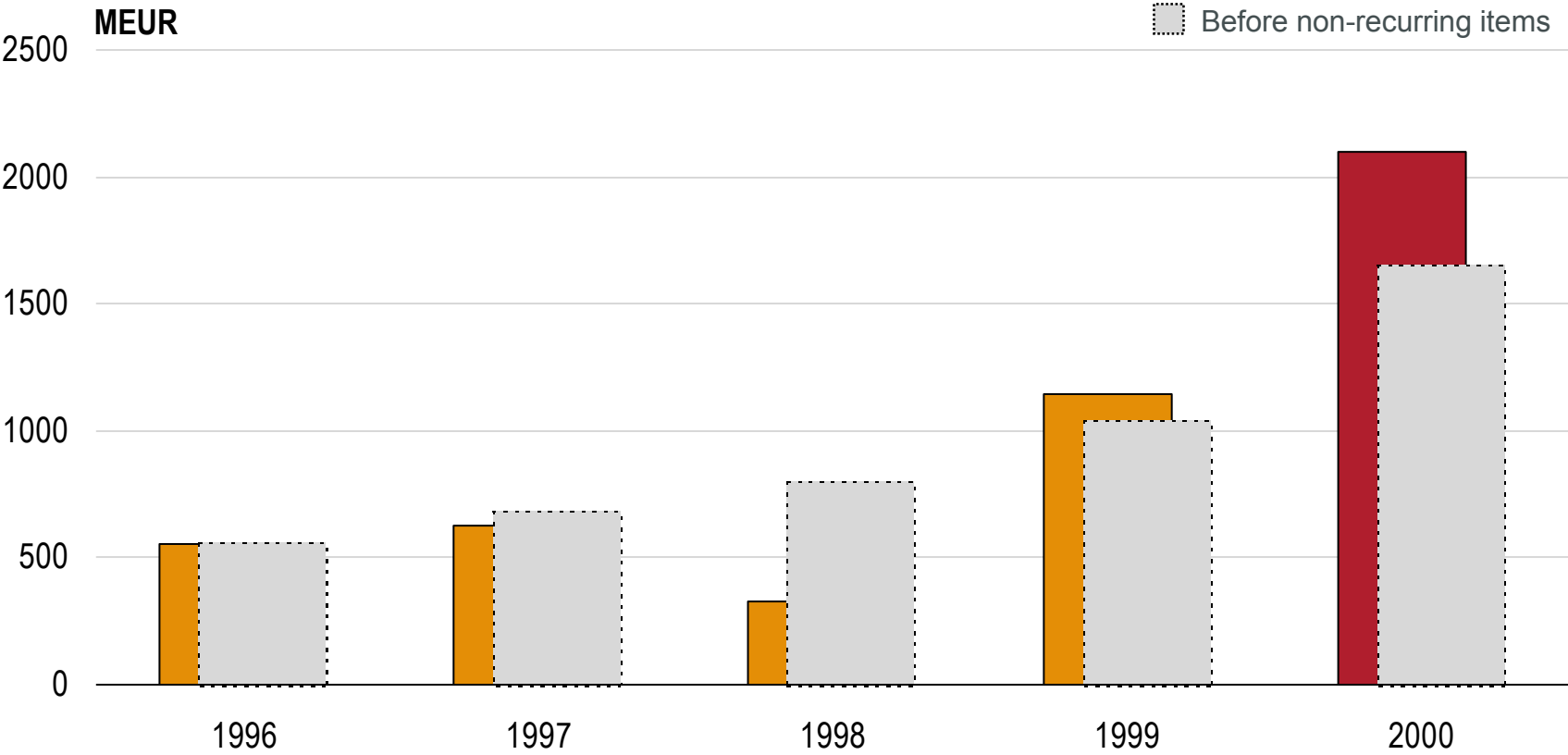
Income statement

EUR million	1999	2000
Sales	10 635.7	13 017.0
Expenses and other business income	-8 325.0	-9 516.3
Depreciation	-911.1	-1 129.4
Operating profit	1 399.6	2 371.3
Share of results of associated companies	9.7	20.6
Financial income and expenses	-266.6	-292.9
Profit before tax and minority interests	1 142.7	2 099.0
Direct tax	-391.8	-650.3
Minority interests	-4.5	-13.7
Profit for the period	746.4	1 435.0

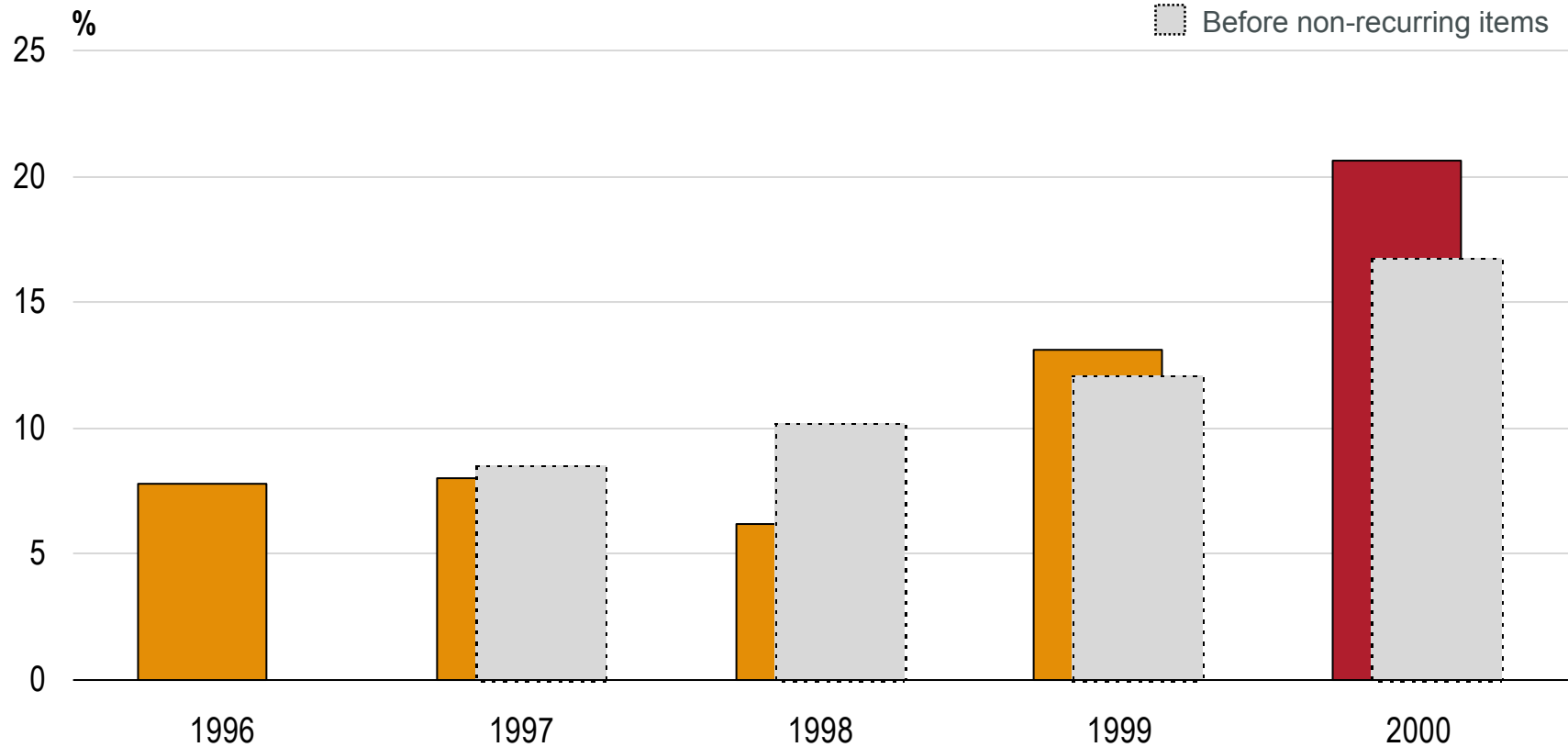
Balance sheet

EUR million	1999	2000
Fixed assets and other long term investment	11 904.9	16 379.0
Inventories	1 265.6	1 589.5
Receivables, investments, cash and bank	2 867.6	3 354.3
Shareholder's equity	5 956.5	8 570.8
Minority interests	202.0	149.4
Deferred tax	1 753.3	2 818.7
Interest bearing liabilities	5 769.5	6 855.5
Operating liabilities	2 356.8	2 928.4
Balance sheet total	16 038.1	21 322.8

Profit before tax and minority interests

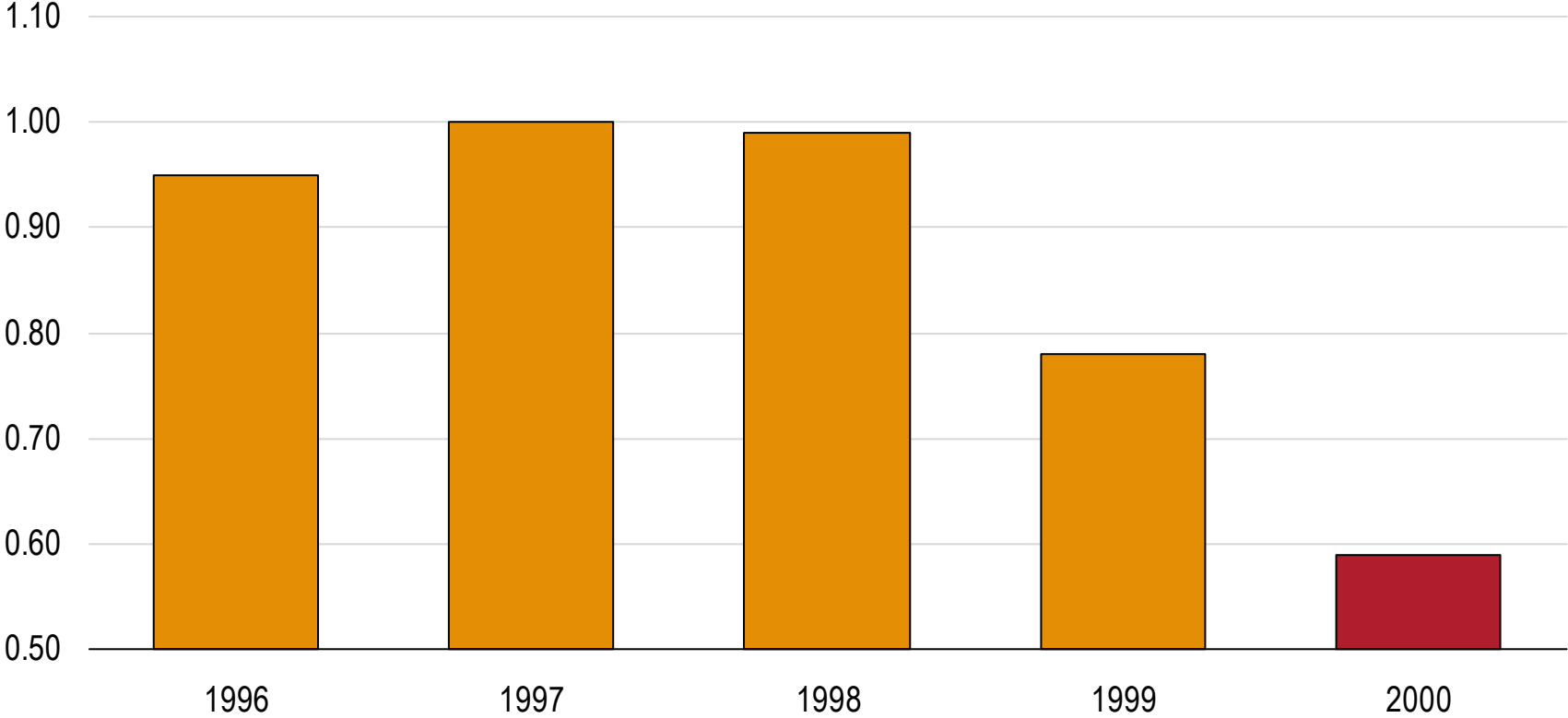


Return on capital employed



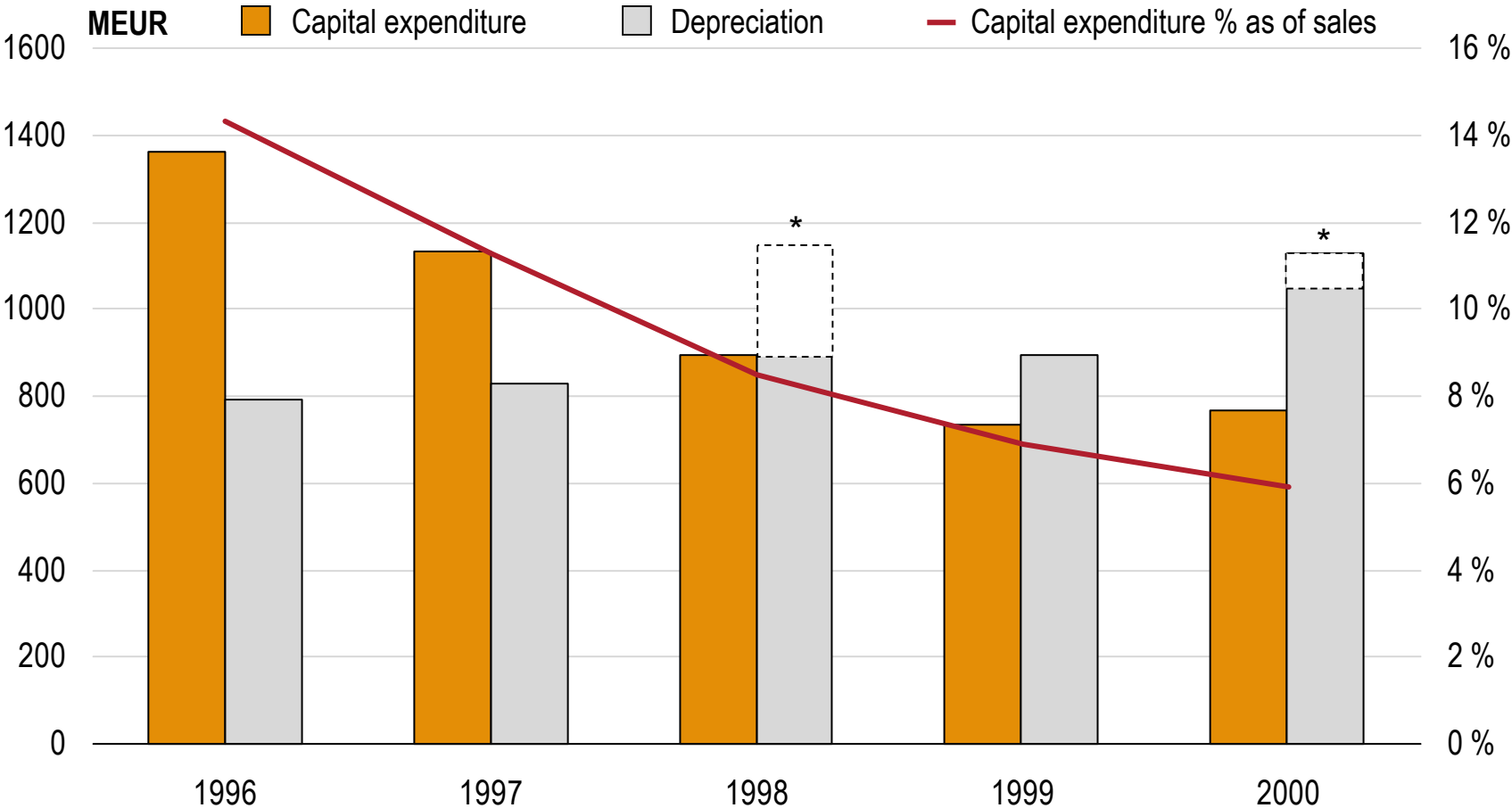
Target > 13% over the cycle

Debt/equity



Target ~ 0.8 in year 2000

Capital expenditure and depreciation



Including goodwill amortizations
 *) non-recurring write-downs

Merger synergies

Calculated EBIT impact MEUR	1999	2000	2001	2002
June 1998 (projected)	-	72	145	217
January 1999 (estimate)	50	170	240	300
Recorded	113	240		

Outlook for 2001

- Currently, the prospects look weaker for the full year 2001 owing to uncertainty, especially in coated fine paper and pulp.
- We expect our main market, Europe, to remain fairly well balanced.
- Packaging board market is anticipated to be slightly weaker. Paperboard grades such as raw material for corrugated boards might be affected during the months to come.
- The sawn timber market will be difficult in the first half of 2001 and influenced by de-stocking.
- Publication papers still enjoy a stable market due to a better balance between capacity and demand
- We believe that Stora Enso's market position and balance sheet are strong enough to face possible turbulence and uncertainty in the market.

Year 2001 challenges

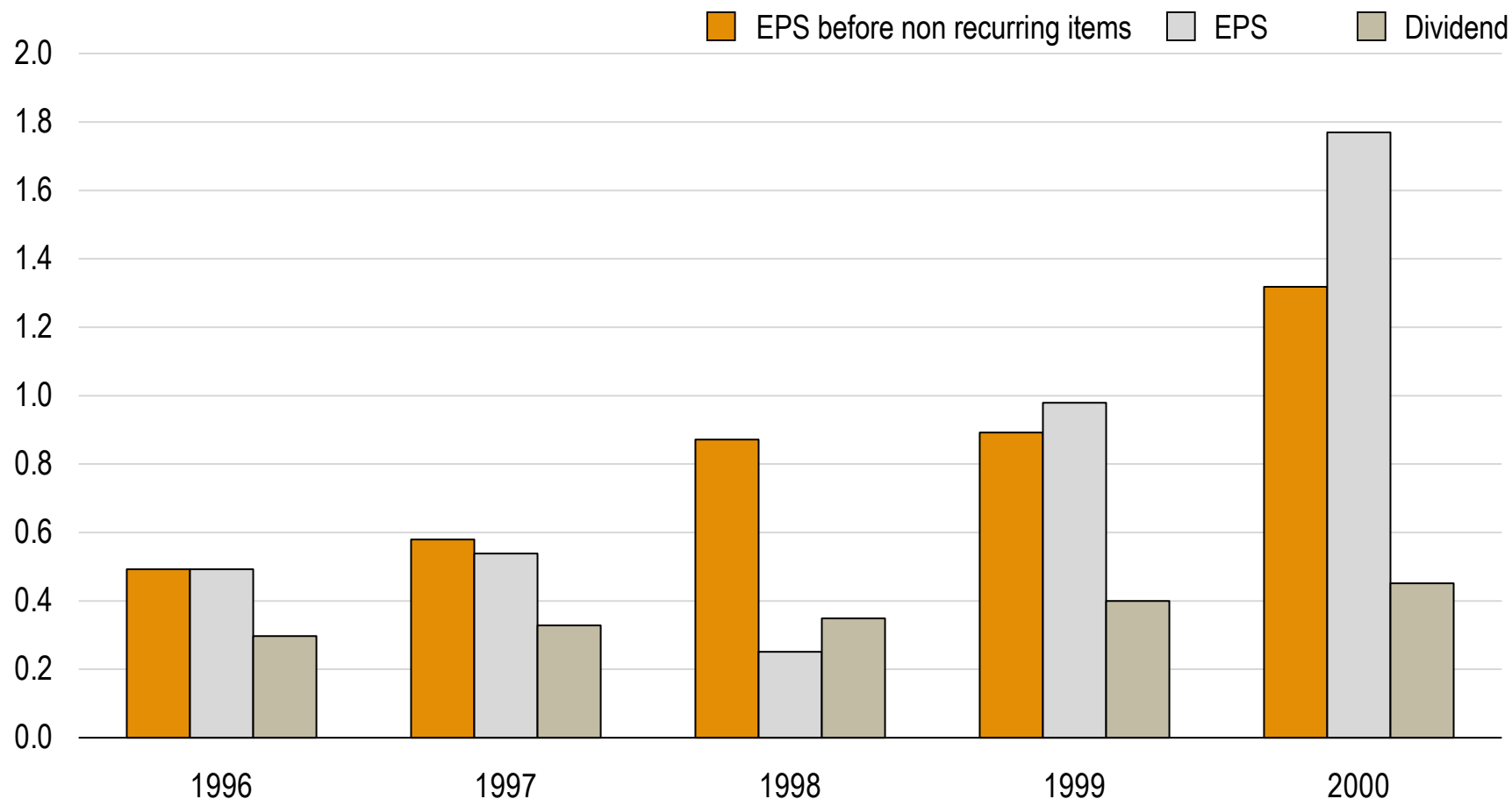
- World economy
- North American synergies
- Asset restructuring programme
- Capacity control
- Participation in the consolidation of the industry
- Share buy-back programme for year 2001

What
paper
can
do

Dividend for 2000

- Earnings per share EUR 1.77
(EUR 1.32 before non-recurring items)
- Dividend proposal EUR 0.45
 - Payout ratio 34% before non-recurring items
 - Dividend yield 3.6% (R-share on 31 December 2000).
On 16 March 2001 3.8%.
- Total dividend payment EUR 417.8 million
- Record date 23 March, 2001
- Dividend will be paid on 4 April, 2001

Earnings and dividend per share



Proposed distribution of profit

EUR million

Profits from previous periods	460.8
Purchase of own shares	-173.7
Profit for the financial period	1,019.6
Dividend of EUR 0.45 per share to maximum 933,215,266 shares	-419.9
Retained earnings after distribution of dividend minimum	886.7

Proposed distribution of profit

EUR million

Profits from previous periods	460.8
Purchase of own shares	-173.7
Profit for the financial period	1,019.6
Dividend of EUR 0.45 per share to 928,499,467 shares	-417.8
Retained earnings after distribution of dividend	888.9

What
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can
do

Remuneration for the members of the Board of Directors

Proposal for year 2001

- Chairman FIM 800,000 (EUR 134,550)
- Vice chairman FIM 500,000 (EUR 84,100)
- Members FIM 350,000 (EUR 58,865)

Paid only to non-executive board members

Proposed members of the Board of Directors

- Josef Ackermann
- Krister Ahlström
- Claes Dahlbäck
- Harald Einsmann
- Björn Hägglund
- Jukka Härmälä
- George W. Mead
- Ilkka Niemi
- Paavo Pitkänen
- Jan Sjöqvist
- Marcus Wallenberg

Proposed Auditors

Current auditors shall continue their office

- SVH Pricewaterhouse Coopers Oy,
Authorised Public Accountants
 - responsible auditor: Pekka Nikula, APA
- KPMG Wideri Oy Ab,
Authorised Public Accountants
 - responsible auditor: Hannu Niilekselä, APA

Reduction of share capital by cancellation of shares

- Authorization at AGM 2000
 - not more than 10,446,000 Series A shares
 - not more than 27,541,000 Series R shares
- Shares repurchased by the company and to be cancelled
 - 910,600 Series A shares
 - 22,260,100 Series R shares
- Number of shares and share capital after cancellation
 - 193,585,856 Series A shares
 - 711,742,911 Series R shares
 - Share capital 1,539,058,903.90 euros
(1,578,449,093.90 before cancellation)

Authorization to repurchase shares in the Company

- Repurchase shares in the company by using distributable equity
- Not more than 9,679,000 Series A shares and not more than 35,586,000 Series R shares (however not exceeding 5 % of the votes or share capital)
- In public trading for the market price prevailing at the time of the repurchase
- Shares repurchased can be used
 - to improve the capital structure
 - to be used in the financing of acquisitions or other transactions or
 - to be otherwise disposed of or cancelled
 - cancellation requires separate decision by the shareholder's meeting
- Authorization is valid until March 19, 2002

Authorization to dispose shares in the Company

- Not more than 9,679,000 Series A shares and not more than 35,586,000 Series R shares
- The Board shall have the right to decide to whom and in which manner the shares are to be transferred:
 - in business acquisitions and other transactions or in public trading
 - by derogation from the pre-emptive rights of the shareholders
- The Board decides on the transfer price and on the basis for the calculation
- Shares can be disposed of against in-kind consideration in the form of other assets than cash
- Authorization is valid until March 19, 2002

Sale of shares held in the joint book-entry securities account

- The right to sell the shares is based on the Finnish Companies' act
- Shares shall be sold in public trading at Helsinki Stock Exchanges
- Sales shall be carried out one year after notification of the AGM's decision
- On 28 Feb. 2001, there was 8,143 A Series shares and 31,083 R Series shares in the joint book-entry securities account
- The proceeds of the sales shall be deposited with the Provincial State Office of Southern Finland