

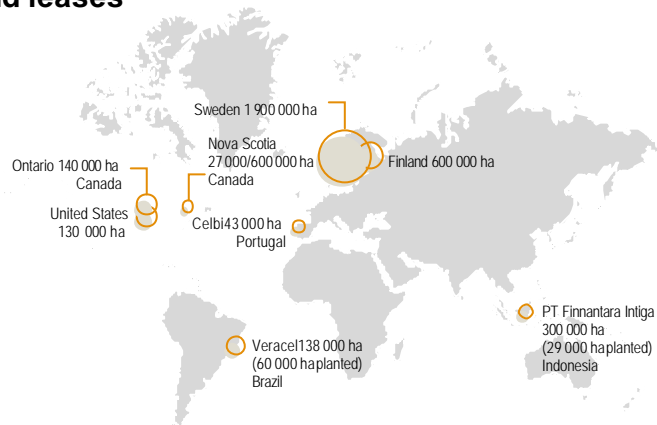
Global Local. Responsible

Forest ownership restructuring – Implementing strategy

16 May 2002

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.

Stora Enso forest ownership and leases



Restructuring of forest ownership



- Ownership of about 730 000 hectares of forestland in Finland and the United States to be restructured through two separate transactions
- Book value of these assets is approximately EUR 500 million
- Transaction structures:
 - Incorporate the Finnish forestlands in a company to be named Tornator by the end of July 2002 and restructure the ownership by the end of 2002
 - Sell the forestlands in the United States to institutional investors via a managed auction by the end of 2002
- In Sweden various options to release capital tied up in forests will be investigated

Transaction rationale



- Consistent with the long-term strategy announced in August 1999 to release capital to develop the core businesses and pay back debt

Examples:

- sale of energy assets in 2000
- restructuring of forest assets in 2002
- Proposed structures will guarantee wood supply in the future

Additional benefits



- Optimise Stora Enso's wood procurement in Finland
 - Tornator will concentrate on silviculture
 - Stora Enso Metsä (Forest) will be responsible for Finnish wood procurement
- Develop the sale of forest management services to private forest owners in Finland

Effect on the Group's balance sheet



	2001	FIN & US effect
• Debt/Equity	0.53	-0.08
• Capital employed, EUR million	14 259	-500
• ROCE, %	10.8	+0.2%-unit

- The financial effects have been calculated on the current book and market values
- The proceeds are subject to capital gains tax in accordance with local legislation

Restructuring in Finland



- Finnish forestlands of about 600 000 hectares will be incorporated in July 2002 in a new company to be named Tornator Oy
- Book value of the assets is approximately EUR 400 million and market value over EUR 500 million
- Stora Enso will retain a minority ownership in Tornator and sell the remaining shares to Finnish and international investors by the end of 2002
- Tornator will enter into a contract to supply Stora Enso about 1.5 million cubic metres of timber annually
 - these forests represent about 6% of Stora Enso's wood requirement in Finland

Tornator Oy

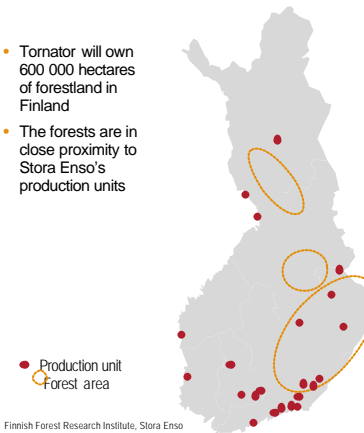


- Tornator will own and manage about 600 000 hectares of forestland, supply wood, sell cutting rights and offer forest management services
- Domiciled at Imatra, Finland
- Managing Director: Arto Huurinainen
- It is planned that approximately 50 salaried employees and approximately 180 forest workers will be transferred or recruited from Stora Enso as existing employees
 - incorporation will require negotiations with the employees
- Tornator will further restructure its forestland ownership

Geographic overview

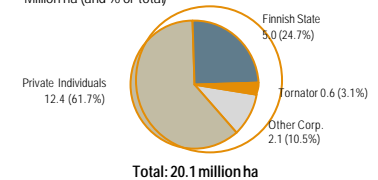


- Tornator will own 600 000 hectares of forestland in Finland
- The forests are in close proximity to Stora Enso's production units

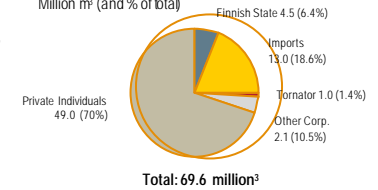


Source: Finnish Forest Research Institute, Stora Enso

Forest Land Ownership in Finland
Million ha (and % of total)



Origin of Wood Raw Materials in Finland 2001
Million m³ (and % of total)



Effects in Finland



- Stora Enso Metsä (Forest) will remain responsible for Stora Enso's wood procurement in Finland, including wood purchases from Tornator
- Stora Enso will continue to contract transport and harvesting
- Mill sites and some zoning areas will remain in Stora Enso's ownership

Restructuring in the United States



- About 130 000 hectares of forestland in Wisconsin, Michigan and Minnesota
- Book value about EUR 100 million
- Sold through a managed auction to institutional investors
- Divestment to be completed by the end of 2002
- These forests represent approximately 10% of Stora Enso North America's US fibre requirements
- Stora Enso Forest Resources will remain responsible for US wood procurement

Summary



- Implementing strategy of releasing capital in order to develop the core businesses and pay back debt
- Restructuring in Finland and USA represents less than 10% of annual wood procurement needs
- Divested forestlands will be managed as independent businesses
- Establishing of a leading silviculture company (Tornator Oy) selling forest management services in Finland