

Global Local. Responsible

Results

July - September 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.

Highlights



	I/2002	II/2002	III/2002
Operating Profit ¹⁾	EUR 274.0 million	EUR 190.2 million	EUR 255.4 million
EPS	EUR 0.18	EUR 0.15	EUR -1.12
EPS ¹⁾	EUR 0.18	EUR 0.12	EUR 0.15
Cash EPS ¹⁾	EUR 0.55	EUR 0.48	EUR 0.51

- Improved operating profit before non-recurring items
- Strong cash flow
- Non-recurring items (totalling EUR -1 230 million) affected reported earnings
- Markets generally weak, but some improvement in advertising-driven paper grades
- Price increases realised in newsprint and coated fine paper in the US, and in folding boxboard in Europe
- Prices still deteriorating in coated paper grades in Europe due to overcapacity

Summary financials



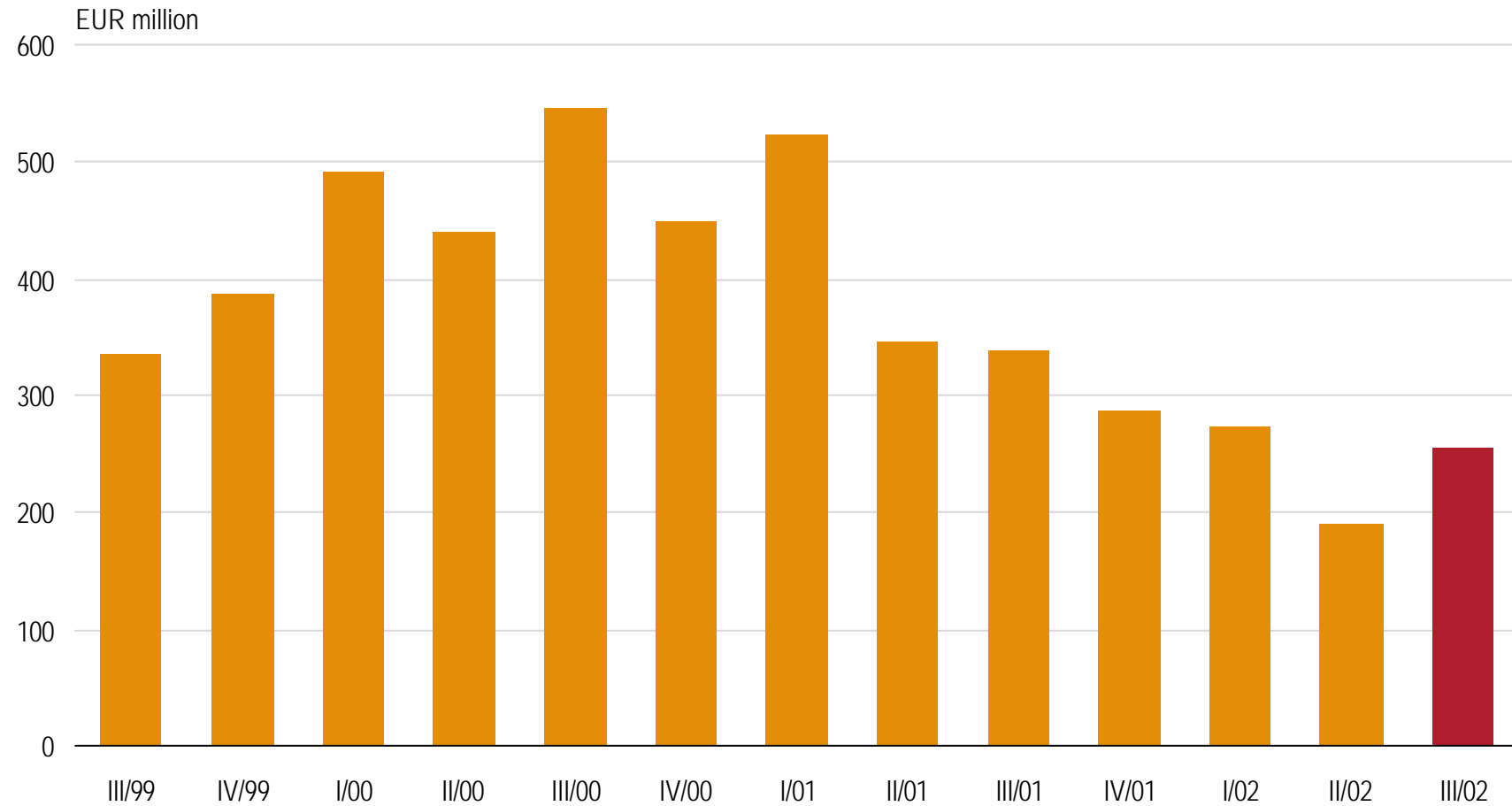
EUR million	2001	1-9/01	1-9/02	I/02	II/02	III/02
Sales	13 509	10 226	9 571	3 229	3 233	3 109
EBITDA ¹⁾	2 763	2 153	1 698	603	518	578
Operating profit ¹⁾	1 495	1 208	720	274	190	255
Profit before tax	1 223	974	-586	241	206	- 1 033
Net profit	926	652	-670	161	138	-999
EPS, EUR ¹⁾	0.94	0.72	0.45	0.18	0.12	0.15
CEPS, EUR ¹⁾	2.34	1.77	1.65	0.55	0.48	0.51
ROCE, % ¹⁾	10.8	11.7	7.2	7.8	5.6	7.9

Operating profit of main business areas



EUR million	III/01	IV/01	I/02	II/02	III/02
Magazine Paper	84	77	32	2	20
% sales	10	9	4	0	3
Newsprint	129	120	73	61	65
% sales	27	26	18	15	16
Fine Paper	71	74	93	73	70
% sales	8	9	11	9	9
Packaging Boards	98	43	101	71	116
% sales	15	7	13	9	15
Timber Products	3	-3	11	14	10
% sales	1	-1	4	4	3

Operating profit by quarter

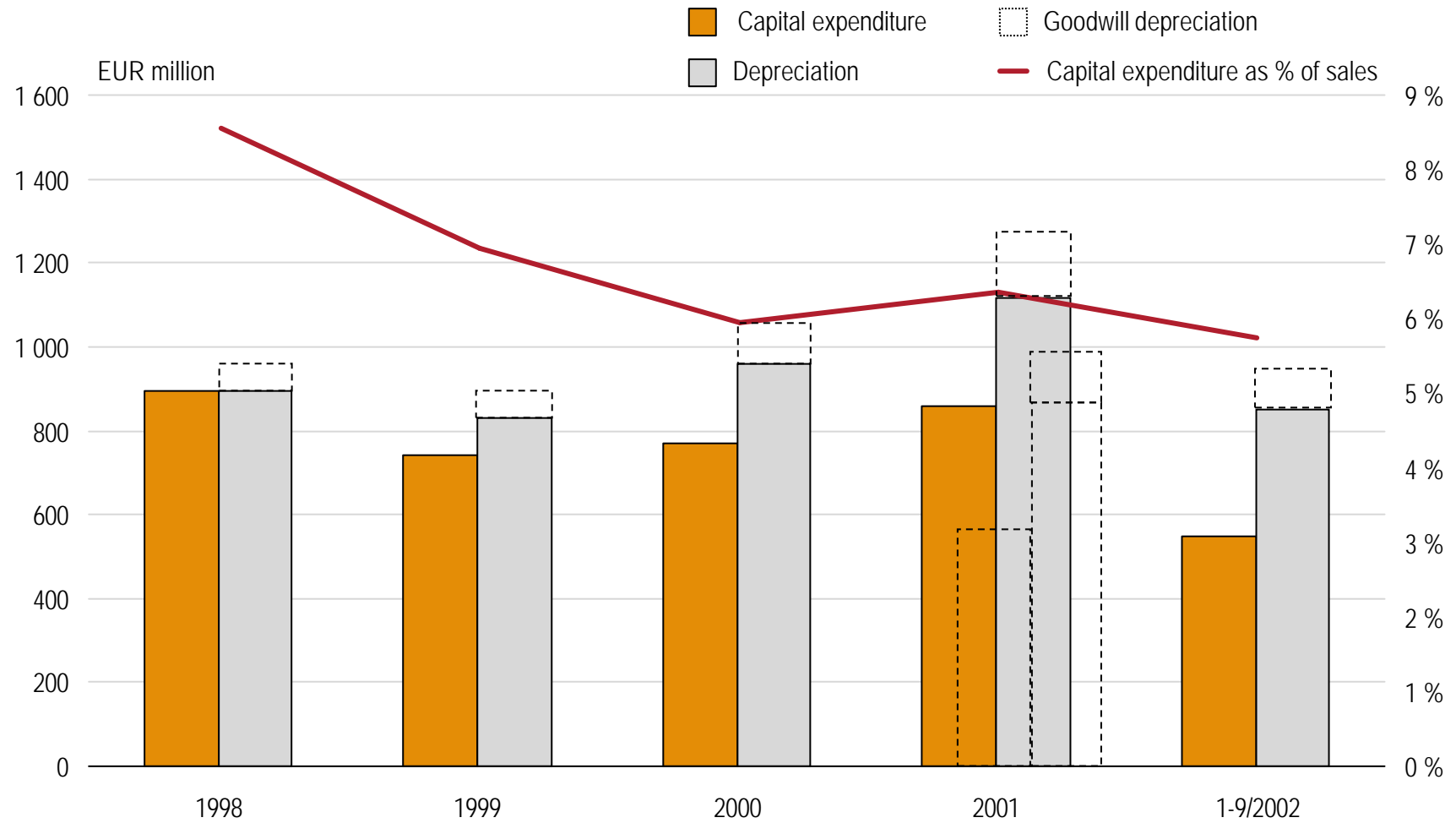


Net financial items

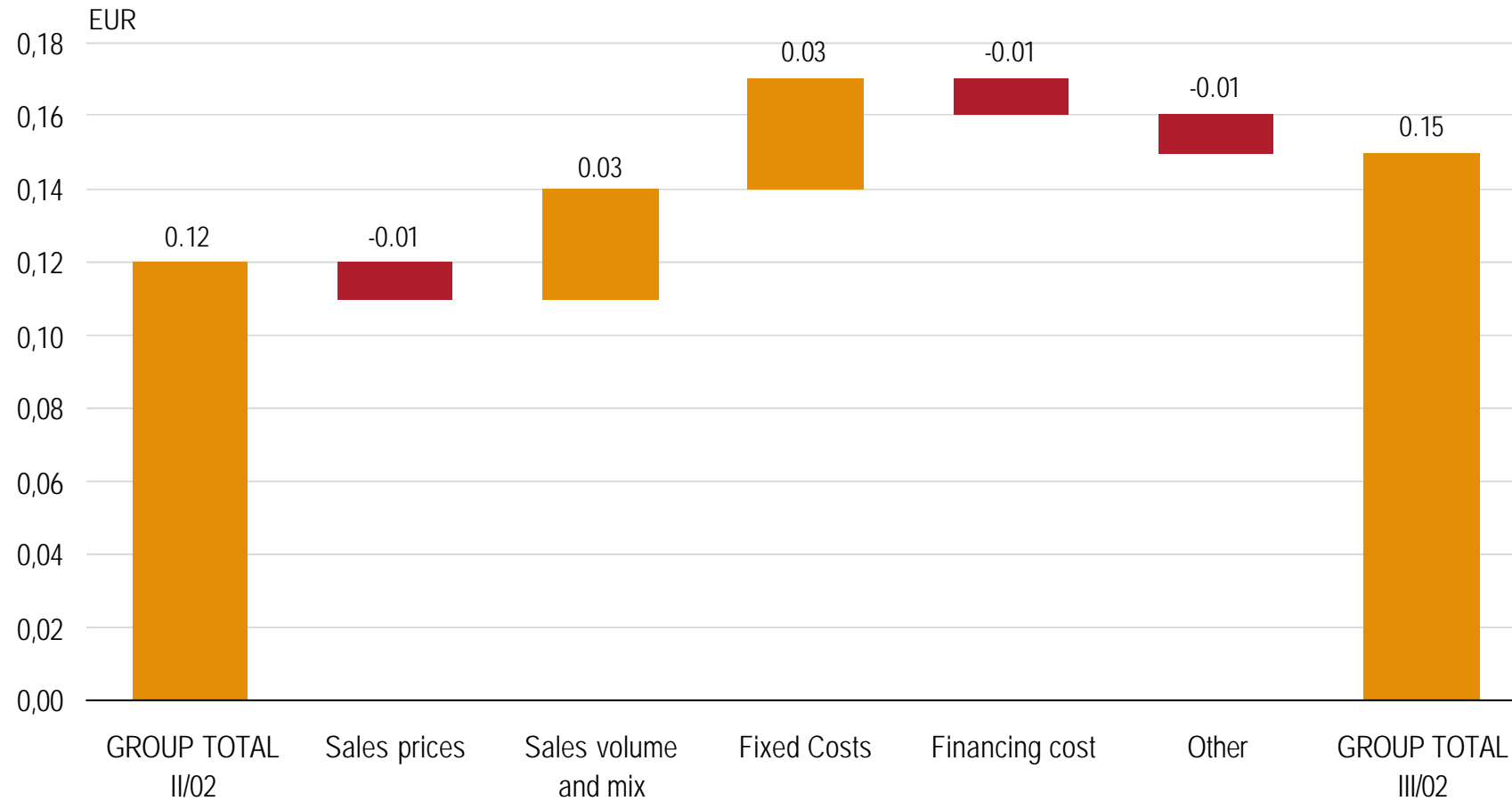


EUR million	II/02	III/02
Net interest	-54.8	-53.0
Foreign exchange profit/loss	10.9	13.2
Valuation of financial instruments	-0.1	-16.4
Total	-44.0	-56.2

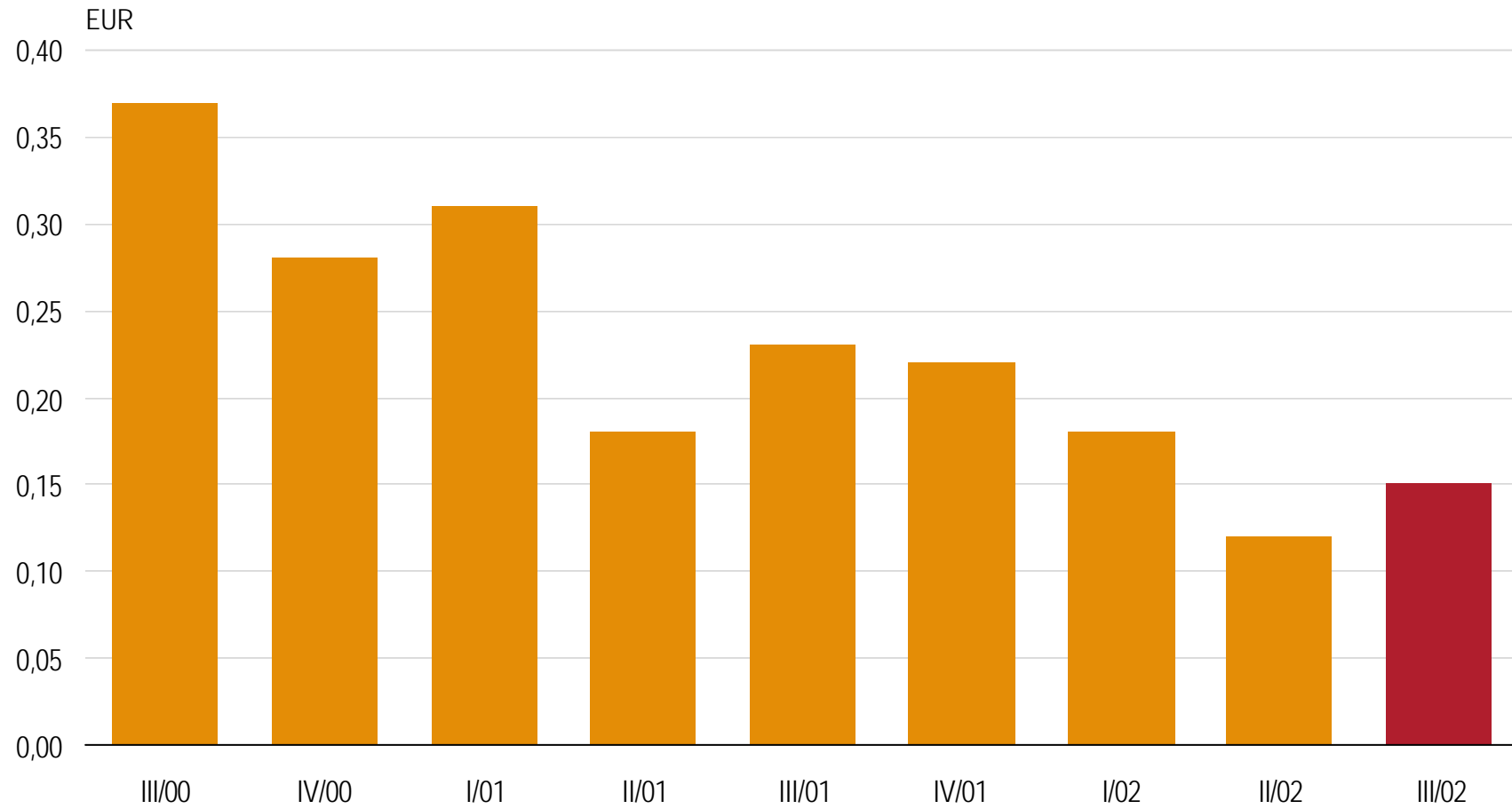
Capital expenditure and depreciation



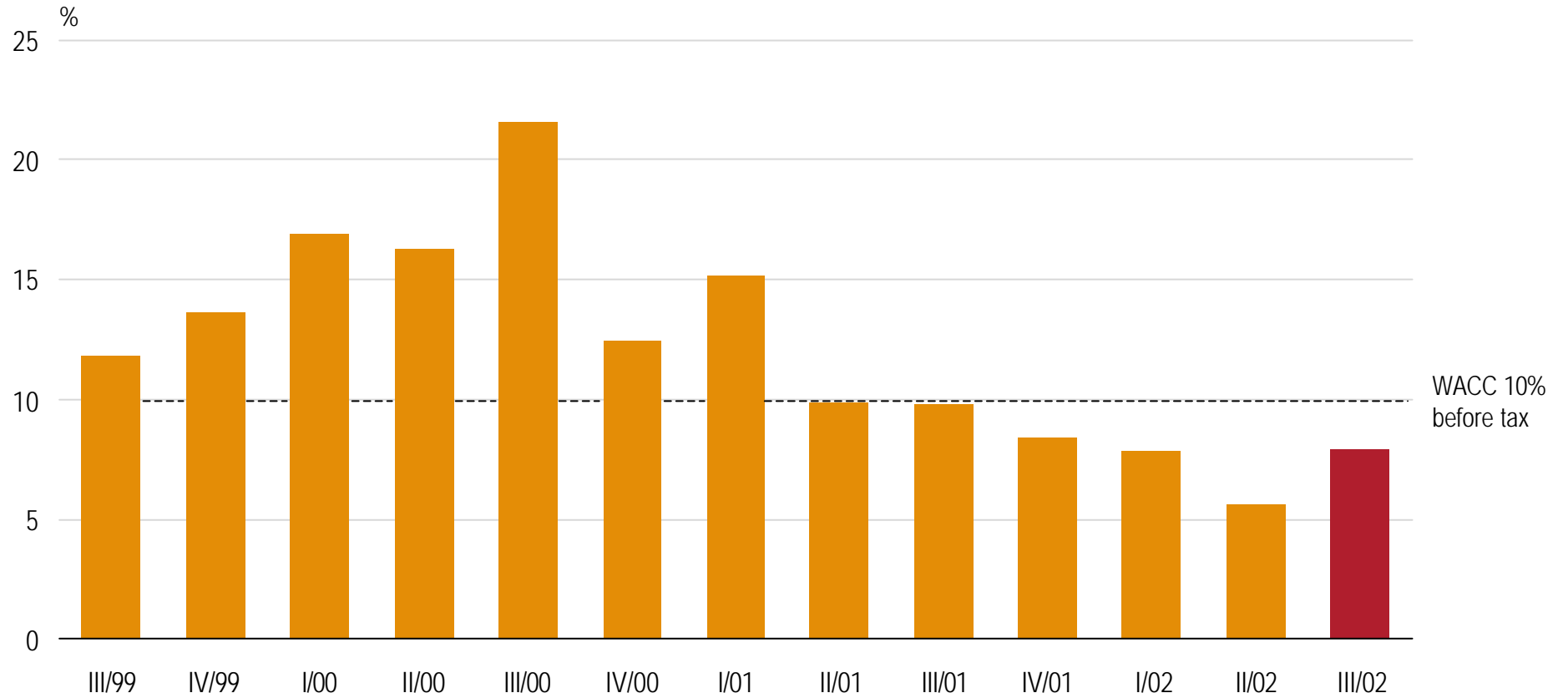
Change in EPS II/2002 vs III/2002



EPS by quarter

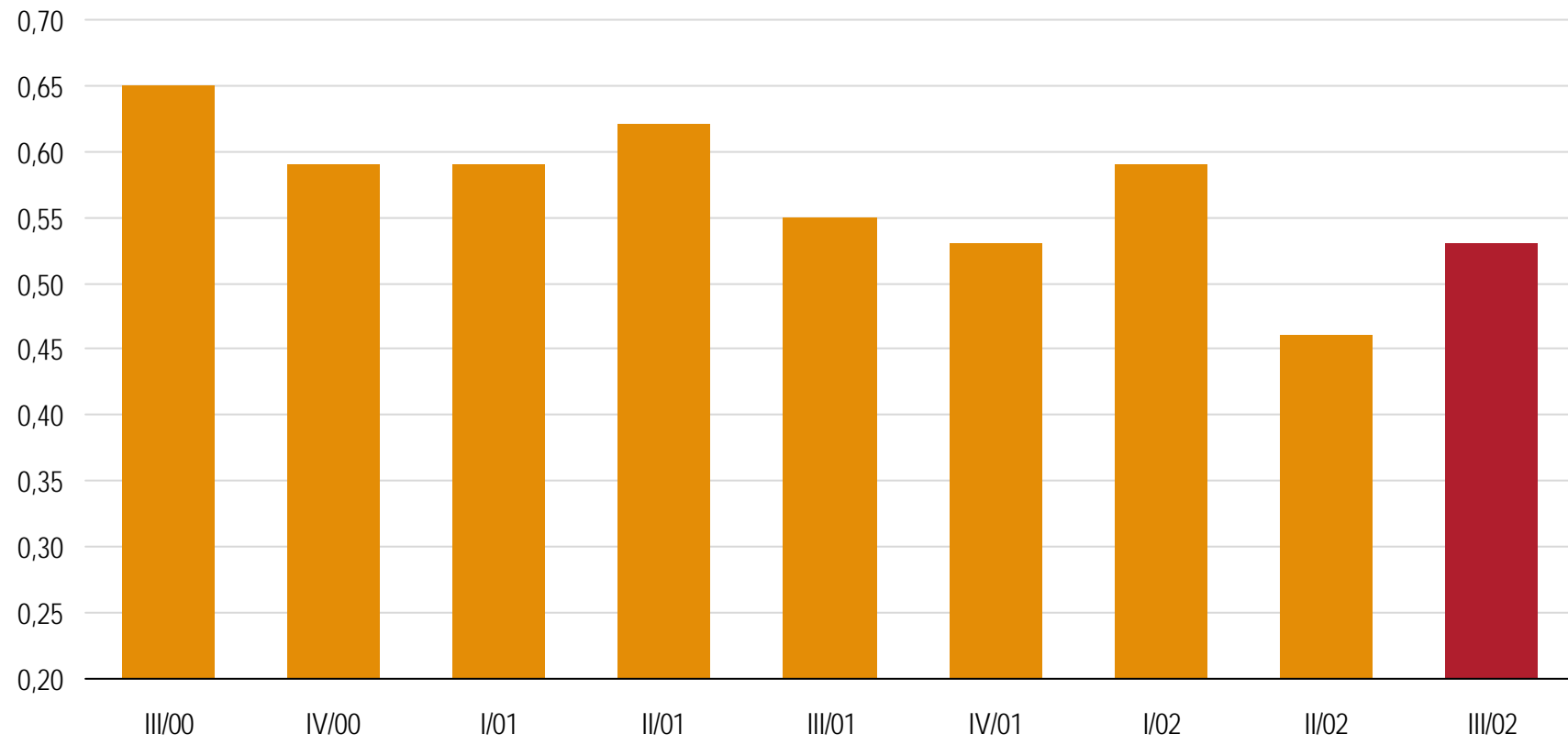


ROCE by quarter



Target \geq 13% over the cycle

Debt/equity



Target ≤ 0.8

Market-related production curtailments



Tonnes	2001	I/2002	II/2002	III/2002
Magazine Paper				
Europe	331 000	110 000	107 000	121 000
North America	229 000	62 000	75 000	13 000
Newsprint				
Europe	130 000	77 000	61 000	54 000
North America			7 000	
Fine Paper				
Europe	504 000	20 000	30 000	60 000
North America	166 000	24 000	26 000	10 000
Packaging Boards	180 000	42 000	20 000	13 000
Total	1 540 000	335 000	326 000	271 000

Market outlook



- Markets still generally uncertain with slow progress
- Some improvement in demand apparent in advertising-driven paper grades
 - absolute level of demand still low
 - more signs of recovery in USA than Europe
- Demand generally firm in consumer-driven paper grades (office paper and packaging boards)
 - recent signs of slight weakening in demand
- Timber product markets expected to remain stable
- Fourth quarter traditionally affected by holiday season maintenance shutdowns in Finland

Share buy-back programme



New buy-back programme approved by March 2002 AGM to repurchase up to:

A shares	9 100 000
R shares	35 500 000

Status on 30 September 2002:

Shares	Number of shares purchased:	Average purchase price:	% of authorisation
A shares	72 600	EUR 12.05	0.8 %
R shares	16 781 134	EUR 11.32	47.3 %

Summary

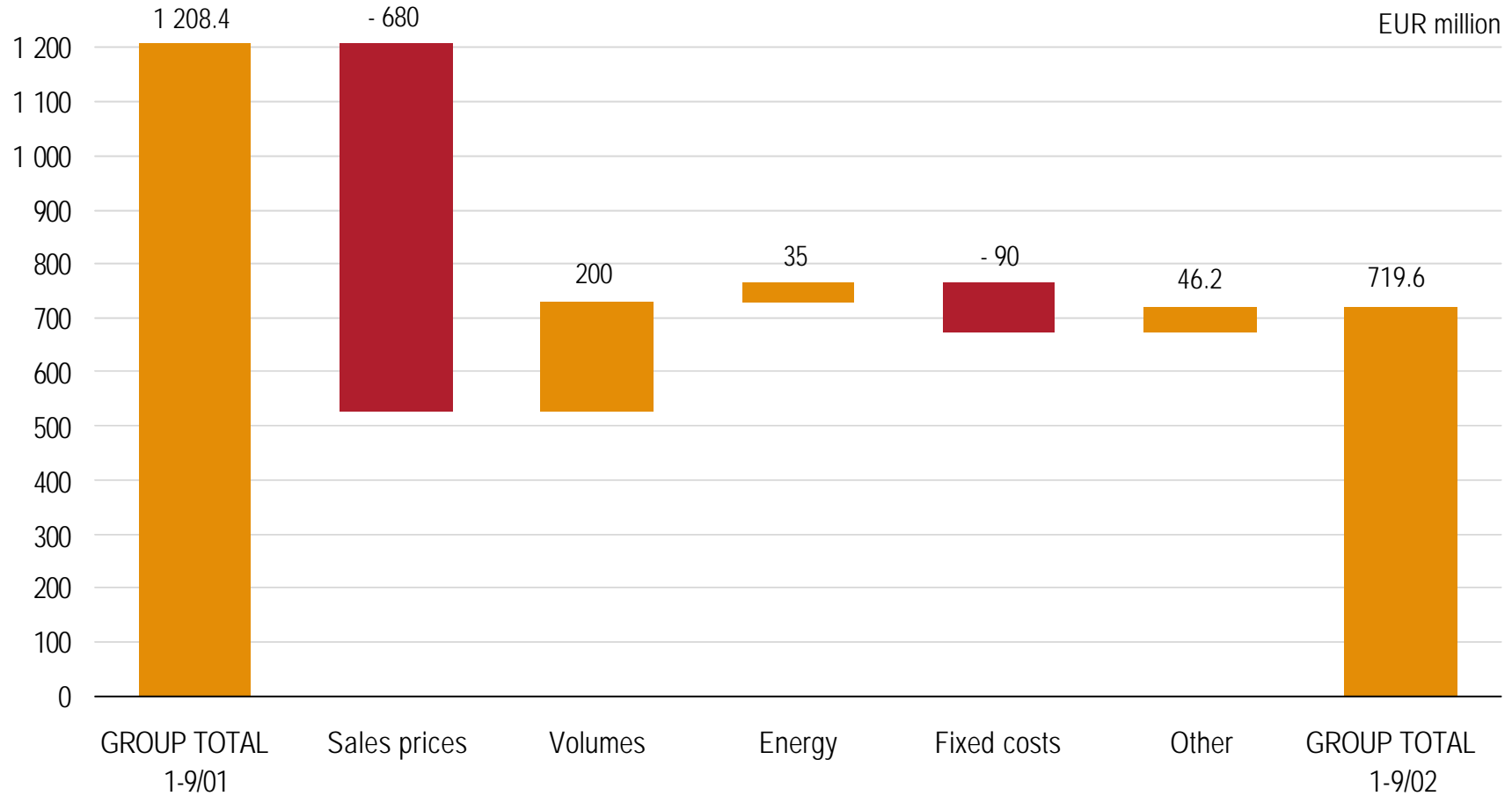


- EPS EUR 0.15 excluding non-recurring items (EUR 0.12)
- Cash flow continued to be strong
- Charges associated with North American Profit Enhancement Plan impacted reported earnings
- Markets in the third quarter remained demanding
- European markets weakened over all, but demand in advertising-driven grades started to improve
- North American markets strengthened slightly
- Market-related production curtailments continued to be taken

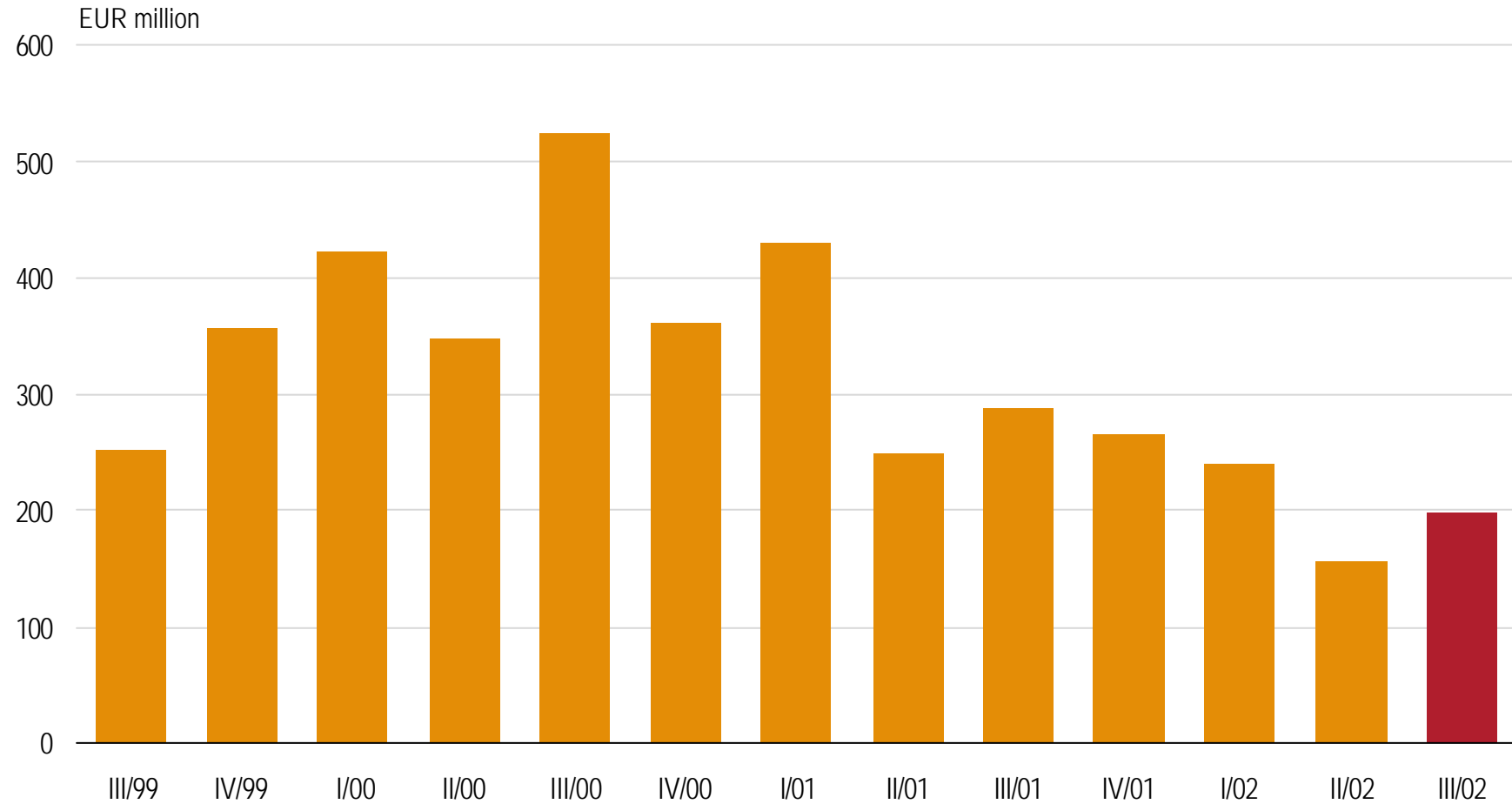
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Appendix

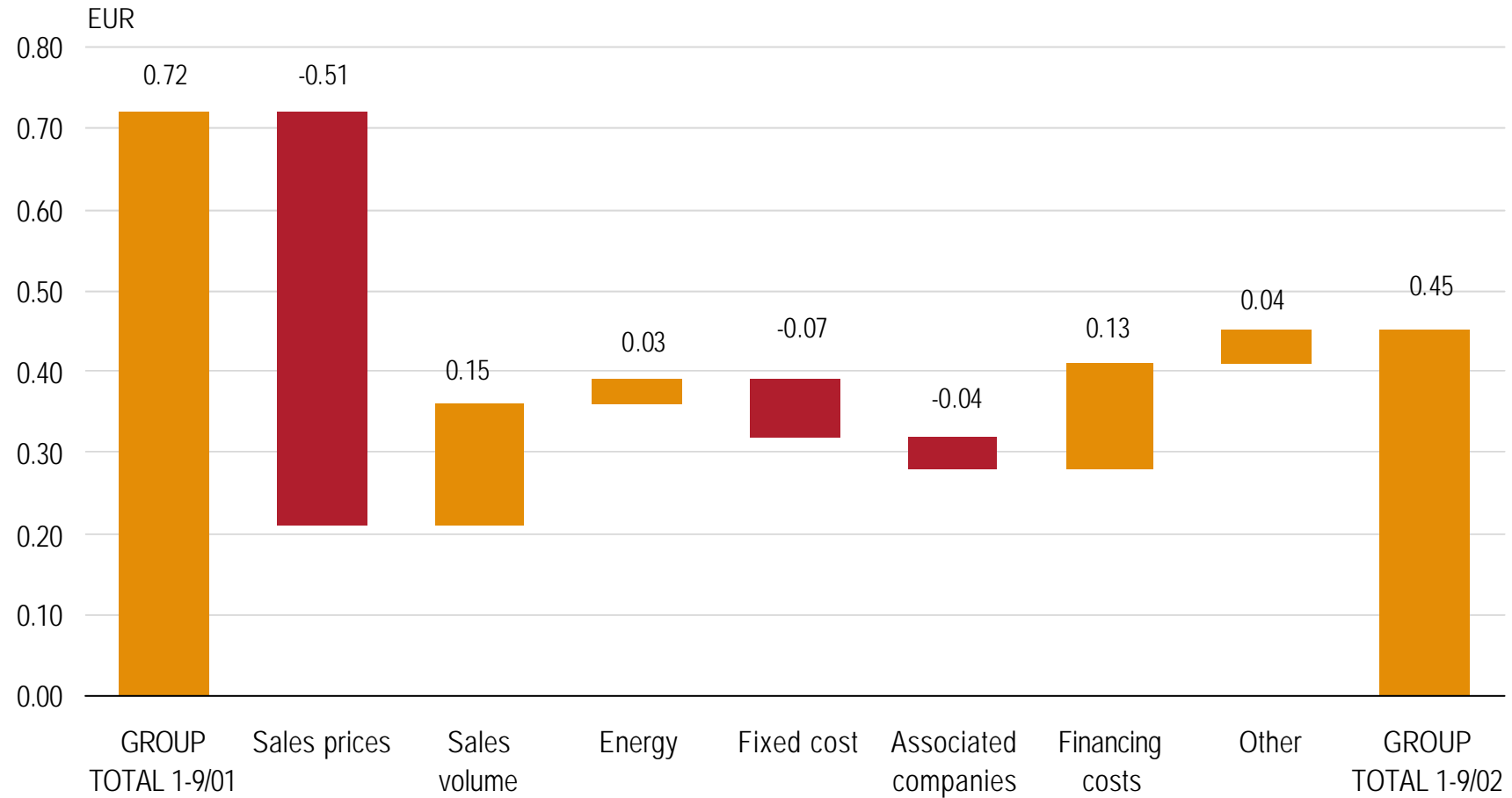
Change in Group operating profit from 1-9/01 to 1-9/02



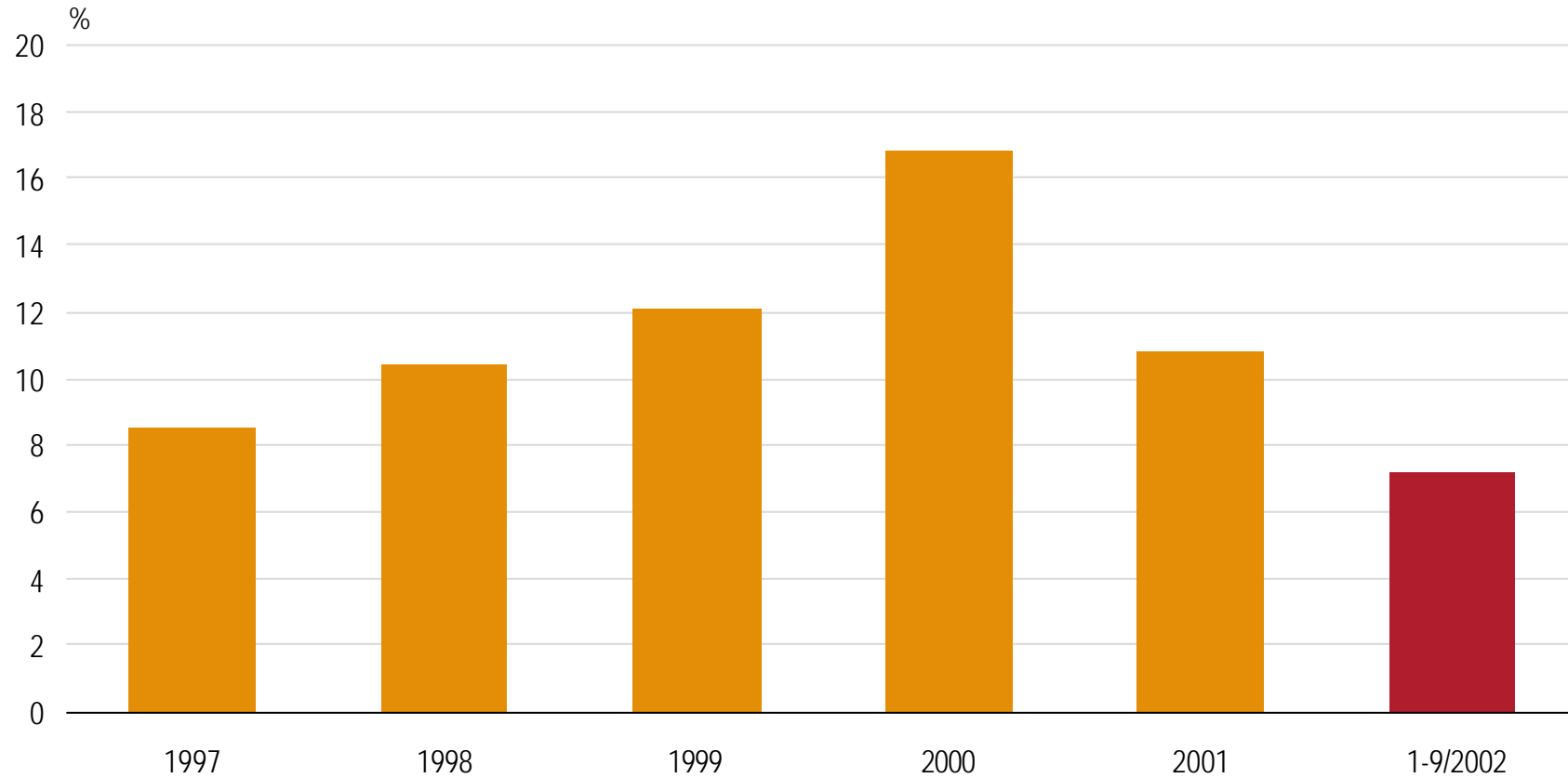
Profit before tax and minority interests by quarter



Change in EPS from 1-9/01 to 1-9/02



ROCE



Target \geq 13% over the cycle