



Positioning Stora Enso for the future

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Current challenges and actions – What we have done so far

- *Current challenges – What we have done so far*
- *Future strategic direction*

Current reality – The Perfect Storm

- Russian roundwood export duties
- External cost pressures
- Oversupply in certain grades
- Turmoil in financial markets
- Weak global economic outlook



Our actions

- Focusing the business
 - Disposal of North American operations and Papyrus
- Closing uncompetitive capacity
- Prudent financial management
- Reducing dependency on Russian fibre
- Focusing administration and support functions

Major structural changes

Closed December 2007

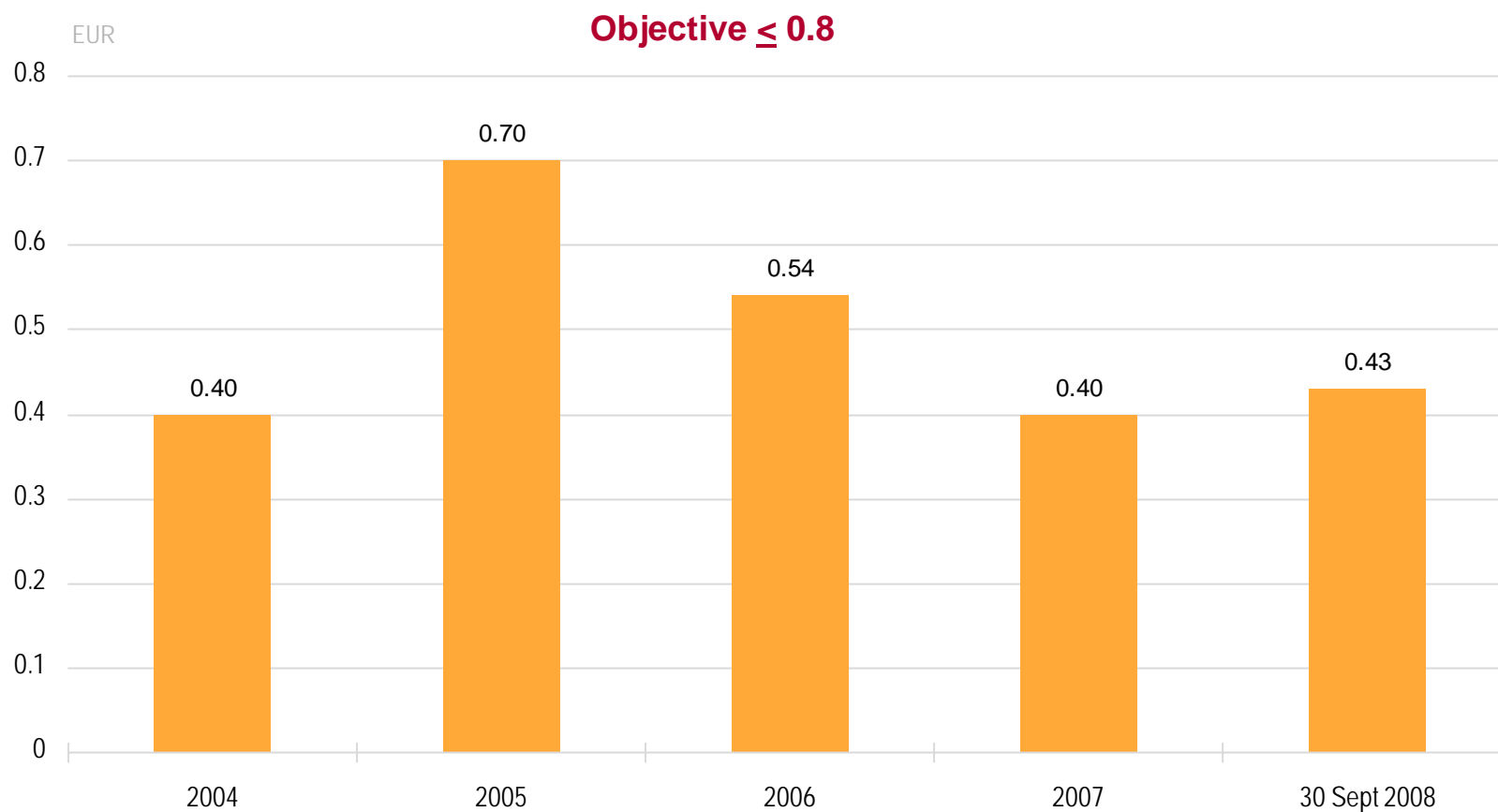
Divestment of North American operations to NewPage
USD 2.52 billion (EUR 1.82 billion)

Closed May 2008

Divestment of Papyrus to Altor
EUR 640 million

Debt/Equity – Total operations

2004 – 30 Sep 2008



Early action gives tangible benefits

25 Oct 2007

Annual cost improvement of EUR 140 – 160 million from closure of mills and reduction in Group functional staff – full impact in 2009

10 Sep 2008

Annual operating profit improvement of EUR 140 from closure of unprofitable mills, productivity improvements and a reduction in personnel – full impact by the end of 2010

Announced capacity closures 2007 – 2008

Mill	Products	Capacity reduction (t/a)
Summa	Newsprint, unc maga, book paper	415 000
Anjala PM1	Book paper	120 000
Kemijärvi	Long-fibre (SW) pulp	250 000
Norrsundet	Long-fibre (SW) pulp	300 000
Baienfurt	FBB	190 000
Imatra	Cupstock, LPB	170 000
Kabel PM3	Coated magazine	140 000
Corenso Varkaus	Coreboard	100 000
Paikuse Sawmill	Sawn goods	170 000 m ³

>1 000 000 tonnes of P&B capacity

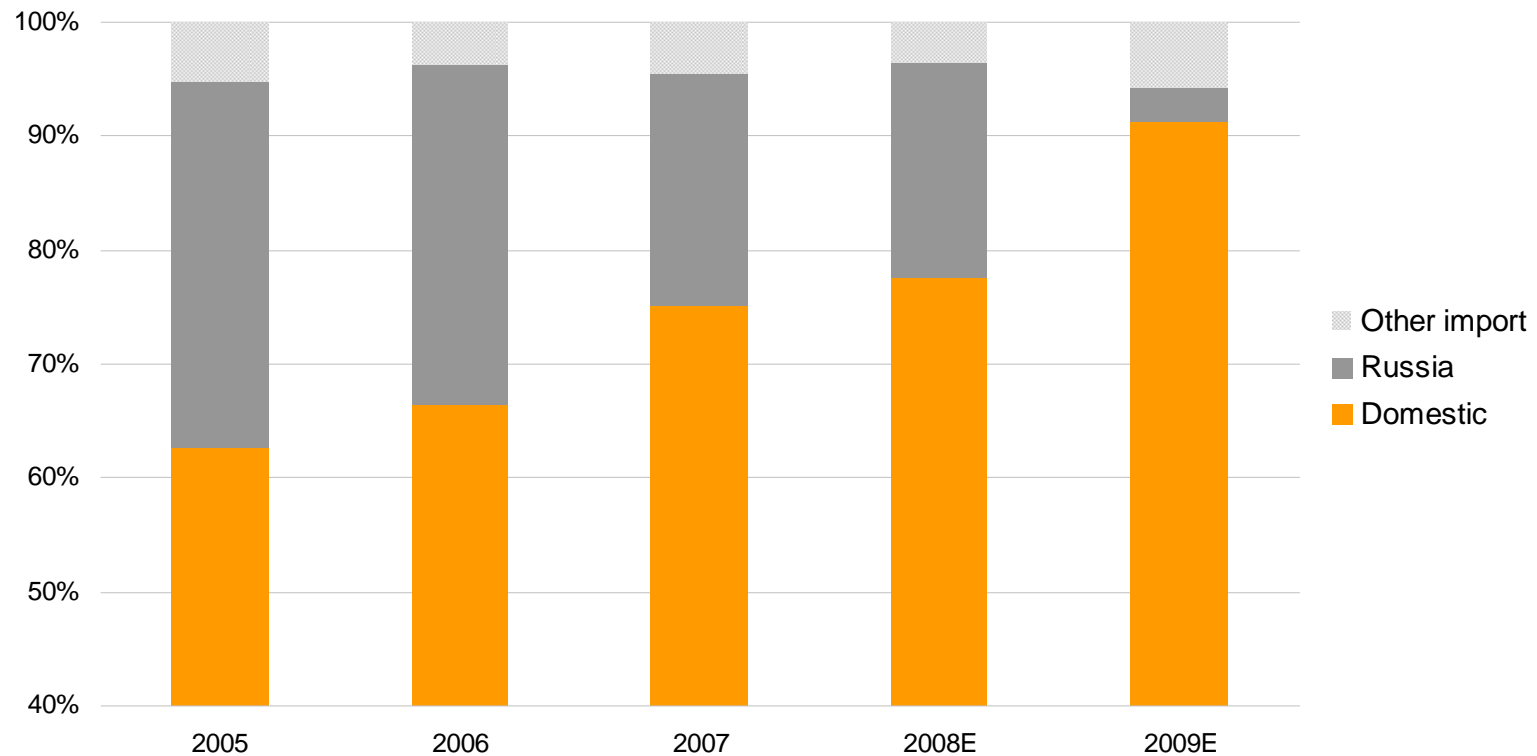
550 000 tonnes of SW pulp and 170 000 m³ of sawn goods

Stora Enso has changed

	2006	2007	1-9 2008
Employees (average)	~45 600	~39 200	~34 000
Deliveries of P&B (1 000 t)	14 618	12 477	8 992
Sales (EUR m)	14 594	13 374	8 426
Sales in Europe (%)	71	81	80
Sales in USA (%)	13	2	1
Sales in rest of the world (%)	16	17	19

Reduction in Russian wood dependency

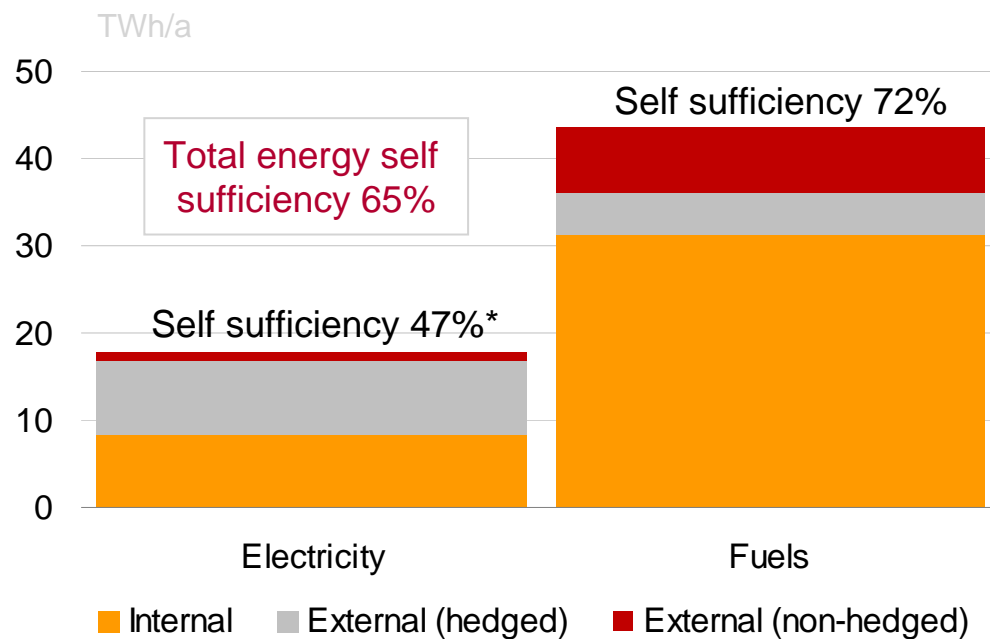
Wood sourcing to Stora Enso mills in Finland



Based on realised and planned wood deliveries to Stora Enso's mills
Sunila not included

Energy balance 2009

Excluding Summa, Norrsundet, Kemijärvi and Baienfurt

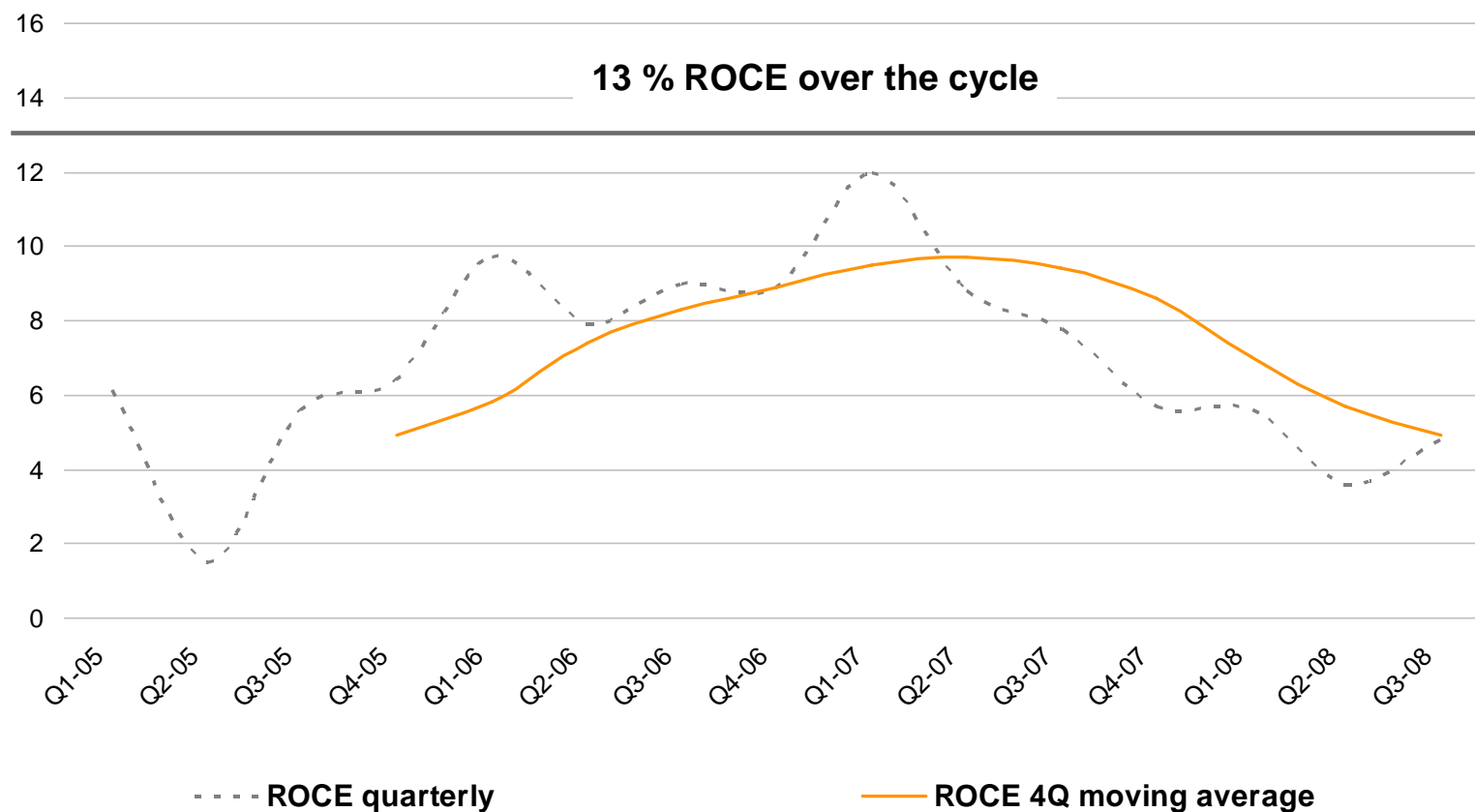


Impact on operating profit from 10% change in:	EUR million p.a.
Electricity market price	~6
Oil price	~18

*) situation for 2009

Improvement path

Still a lot to do!



Continuing Operations

Based on EBIT excl NRIs and fair valuations

Future strategic direction

- *Current challenges and actions – What we have done so far*
- ***Future strategic direction***

Future strategic direction



Our Choices

Portfolio prioritisation

Our business must be structurally attractive

- Steep cost curve & ability to differentiate
- High entry barriers
- Medium to low threat of substitution
- Low to moderate cyclical

We want to build our future on a strong platform

- Differentiated capabilities
- Access to critical assets
- Meaningful leadership position

We want to sit in the driver's seat

- Maximise the number of alternative paths
- Low operational and political risk

Why plantations and pulp?

Good demand and growth potential

- **Plantations**

- Long-term increasing demand, least cyclical of our businesses
- Steep cost curve to remain
- Many plantation opportunities, but subject to risk

- **Pulp**

- Growth driven by packaging, tissue and emerging markets
- Steep cost curve to remain; however, very cyclical business
- Clear opportunities for lower cost via plantations, but subject to risks

Why packaging?

- Global market ~EUR 400 billion/a
 - ~40% is fibre-based packaging
 - Growth in most segments of 2 – 6%
 - Positive long-term perspective
- Cost leadership and differentiation potential
- Innovation opportunities to offer value for customers
 - Need for new solutions
 - Package as a branding tool and marketing channel
 - Supply chain performance
- Long-term sustainability of fibre based packaging

Fibre-based packaging

Stora Enso has a strong starting position

Meaningful leadership position

- Global leader in LPB
- European leader in FBB & SBS
- Strong market position in corrugated packaging in Eastern Europe and Russia

Access to critical assets

- Focus on high-end applications
- Relationships with the major LPB converters
- Sound knowledge base
- Strong plant network in corrugated packaging

10 September 2008

***'The paper businesses, but possibly not all of them,
will also remain part of Stora Enso.'***

- Jouko Karvinen, CEO

What do we mean by this statement?