

**Opening speech of Mr. Claes Dahlbäck, Chairman of the Board of Directors,
at Stora Enso's Annual General Meeting in Helsinki on 31 March 2010**

Dear Shareholders,
Ladies and Gentlemen!

It is my honour and pleasure to welcome you to the Annual General Meeting 2010 of Stora Enso.

Once upon a time conventional wisdom preached that what was then called the forest industry belonged to the past. It was an industry of low value added about to be slowly strangled by petroleum based products, information technology and the paper free office.

This was not so long ago.

But today we know better. Forests absorb Carbon Dioxide. Products made from wood either store Carbon Dioxide or are recyclable. Fibre based products and the industry producing them help this planet to survive in an era of threatening climate change.

What was the forest industry but increasingly is the paper and packaging industry belongs to the future.

We have only scratched the surface of basic needs where innovative fibre based – Carbon Dioxide emission neutral – solutions can replace Carbon Dioxide emitting petroleum products.

Stora Enso is in an industry with a solid long term footing.

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In this - my last - opening of an Annual General Meeting of Stora Enso I want to share with you four fundamental reasons why I am optimistic about the future of our company.

- Firstly, Stora Enso's tomorrow will be built on a good platform.
- Secondly, in shaping its future, Stora Enso has a good strategy.
- Thirdly, to take next steps from a good platform, Stora Enso has strong management.
- Fourthly, to follow up on strategy and to further develop it, Stora Enso will have a strong Board of Directors.

I also want to share one personal conclusion drawn from these observations.

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In the future history books, 2009 will be a year of crisis. It started in grave uncertainty with markets of all kinds in severe downturn. The financial system in

many parts of the world was virtually dysfunctional and the financial crisis had hit the real economy.

The year brought GDP losses of 5 – 10 percent in the OECD area and slowed down growth in the main rising Asian and Latin American economies. We saw increasing unemployment and severe hardships for many individuals, companies and countries.

But after massive, globally co-ordinated, government and central banks interventions to provide financial stimulus and liquidity, the year ended on an upward note. Most economies started to grow again.

Stora Enso was fortunate to take action early in a decision to survive on its own merits. There was no time to hesitate or to wait but an urgency to act and to make courageous decisions.

The results are impressive:

- The company has flattened. There are fewer layers than before.
- The company is leaner. Costs have been cut, not indiscriminately but strategically.
- The company can focus. Cash flow has improved.

I feel great sympathy with all the employees who have been impacted by the tough decisions we have been forced to take. The process has not been painless. But it has been driven with both resolution and responsibility.

The company has more to its advantage when preparing to meet increasing demand in global markets.

Not only do we operate in a fibre industry that belongs to the future. We are competitively positioned in this industry with a strong basis in eucalyptus fibre that grows about 10 times as fast as Nordic fibre.

We are competitively positioned in the market with strongholds in growth centres like China and Brazil. And we have competitive products – and more coming – based on strong Research and Development.

We have – last but by no means least – a strong customer oriented culture.

Coming out of the worst recession in 80 years, Stora Enso is in better shape than entering the economic crisis.

This platform makes me optimistic.

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Turning to strategy, we need to remind ourselves over and over again that this is, and probably will continue to be, a cyclical business.

When, next time, prospects look the brightest, remember that it might be that you have just passed the peak. Try to invest when it is cheap, not when it is expensive.

All changes are not cyclical, however. A fundamental increase in demand for fibre based solutions provides the basis. But for example a structurally shrinking demand for newsprint is also part of what we can expect.

This company has four strong strategic cornerstones:

- Plantation based pulp
- Fibre based packaging
- Selected paper grades, and
- Investments in global growth markets

Another strength of Stora Enso is that for future improvements, we do not rely on the good will of any competitor. We are not pinning our hopes on consolidation but on our own abilities.

The advantages of industry consolidation have been exaggerated. What is necessary for the future – low costs and competitive products – can very well be achieved by actions within our already global company.

This, actually, we have proved, already. And there is more in the pipe line: a constant drive to move up the value chain or to pick segments that grow and niches where to excel and a never ending struggle to get closer to the customer and to take out costs.

It simply is not true that it is impossible to make money in bulk businesses. You can do it by being the smartest, the most customer focussed and the most niche oriented company.

Now, this does not mean that consolidation of all kind is ruled out for the future. In certain segments of the industry, there may arise opportunities if all parties can bring value to a deal.

The fundamentally sound strategy of Stora Enso makes me optimistic.

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Somebody said that the best strategy is the one that can be executed.

If this is true, Stora Enso is lucky. Because our company has a very strong management. It surely can execute.

It starts at the top. When taking on the assignment as CEO of Stora Enso, Jouko Karvinen was an outsider to the industry. It was a brave decision to move in to an industry of strong traditions and many preconceived notions, not to say prejudices.

But it was very fortunate for us that you took that step, Jouko. Your global outlook, your deep consumer industry experience, your sharp analytical mind and your relentless energy were exactly what this company needed in the crucial years we have been through.

And you have built a strong team running a portfolio of business areas based on sustainable and climate friendly raw material: Packaging – both consumer and industrial – Publication paper, Fine paper and selected Wood Products.

The management philosophy is one of entrepreneurship based on customer orientation and accountability.

Like being fibre based, this is a management philosophy that belongs to the future.

Our management gives me further reasons to be optimistic.

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That brings me to my fourth point: a strong Board of Directors for the future as proposed by the Nomination Committee.

Sometimes a weak Board of Directors sets ceilings for the ambitions and performance of management. This will not be the case with Gunnar Brock as the Chairman.

I have seen him in action. He will be an excellent match to an excellent CEO and he will have very able colleagues around him.

This too, makes me optimistic about the future of Stora Enso.

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Dear Shareholders,

In the beginning of this welcoming address, I promised to share one personal conclusion with you.

For 20 years I have as a Board Member been accountable to all shareholders of Stora Enso while also being a shareholder myself.

From this evening and onwards that accountability is over. But based on the reasons for optimism that I have referred to today – I will remain a shareholder.

There may have been moments of doubt in years that have passed. But now I am truly excited over what may become of Stora Enso – or rather, excited over what will become of Stora Enso.

Thank you!