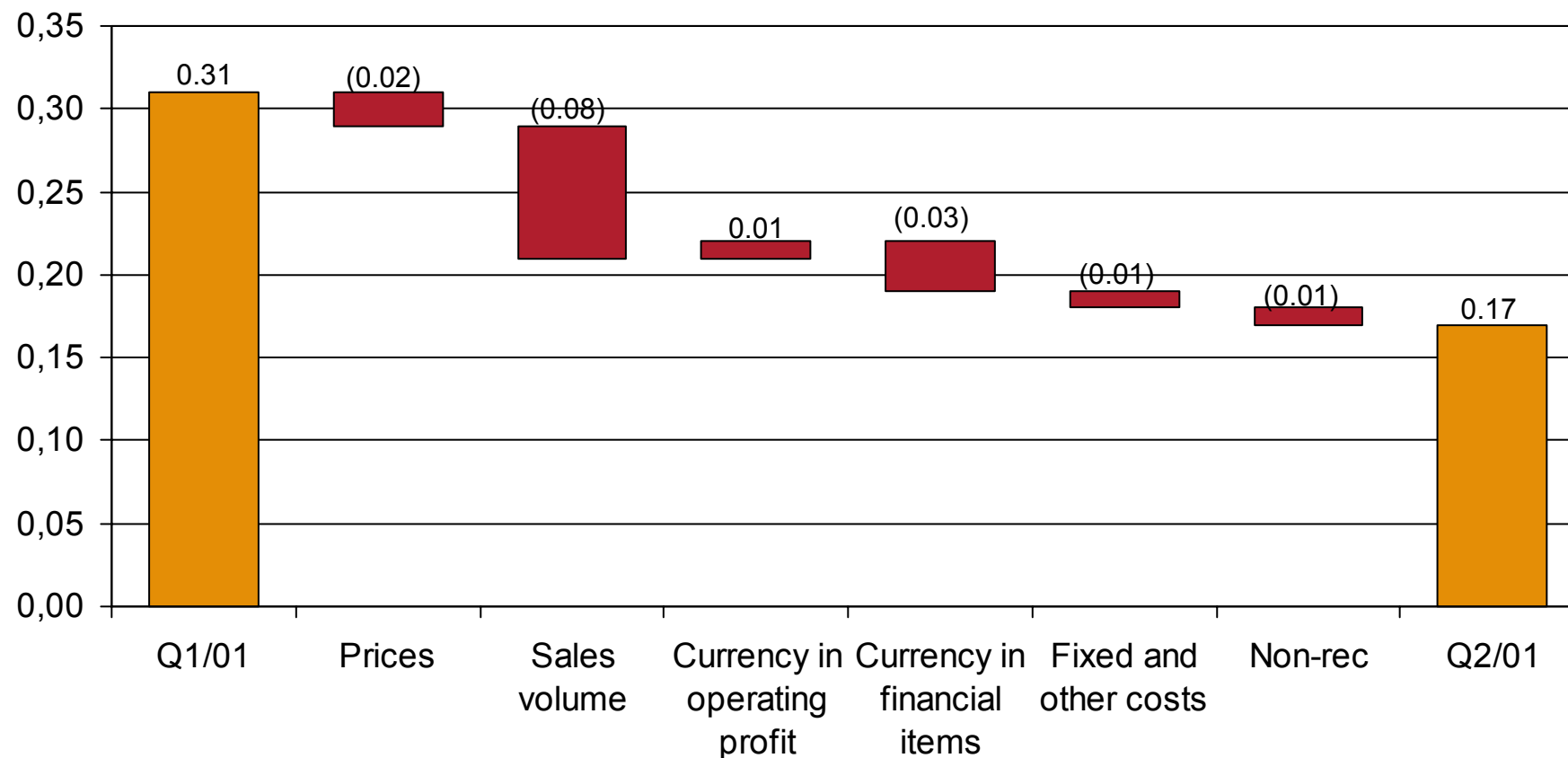


Results

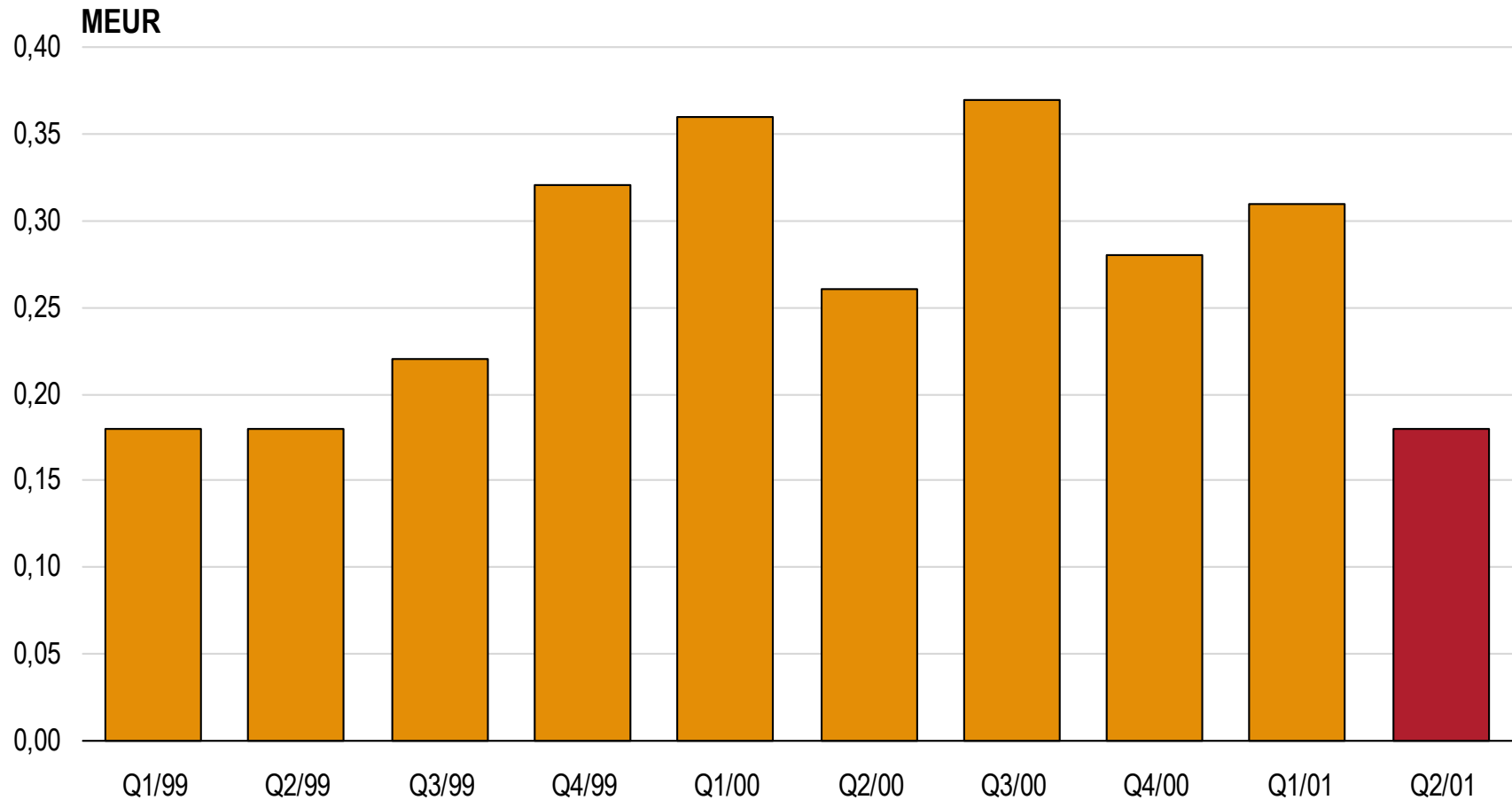
April – June 2001

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.

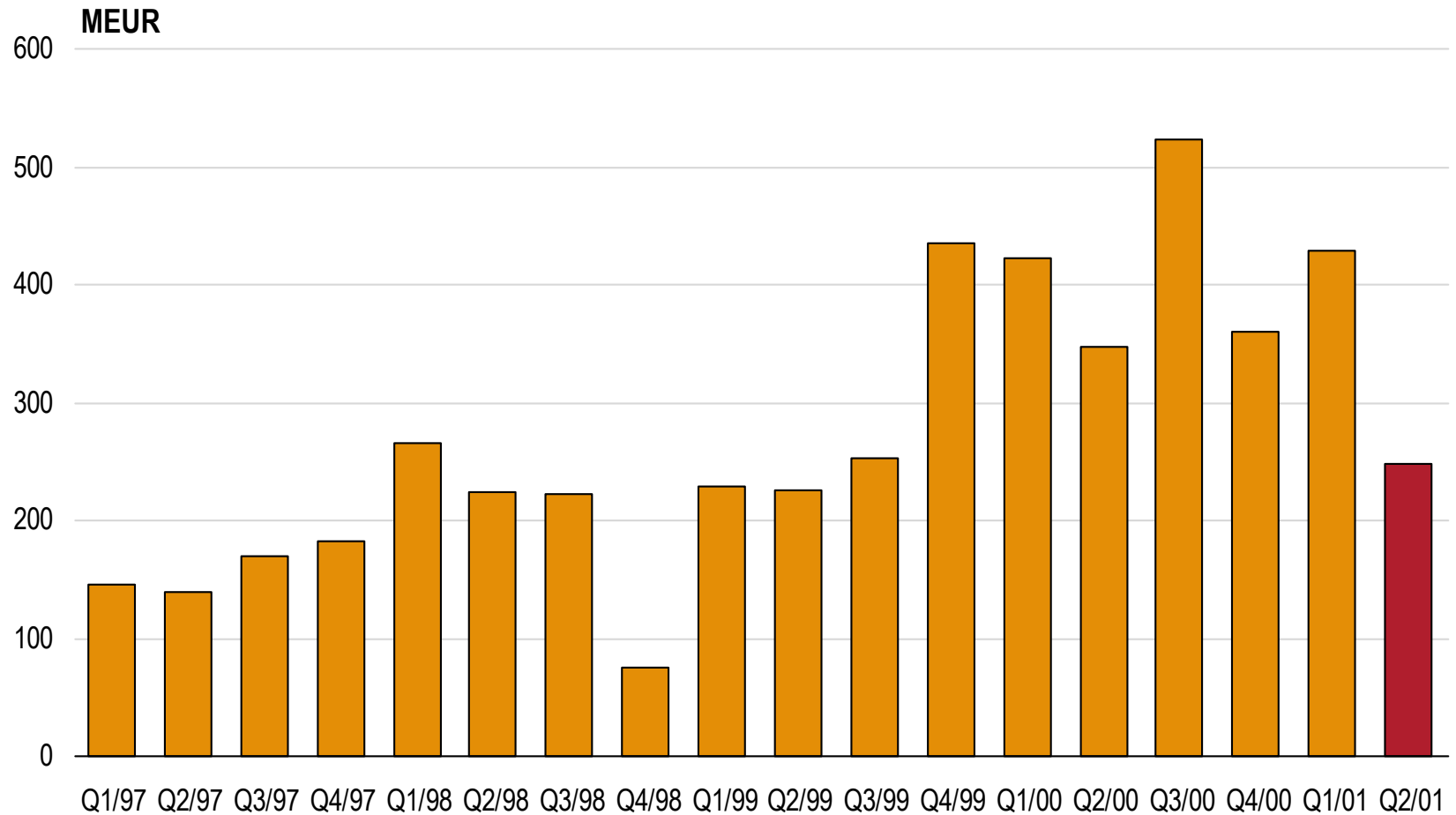
Change in EPS Q1 vs Q2



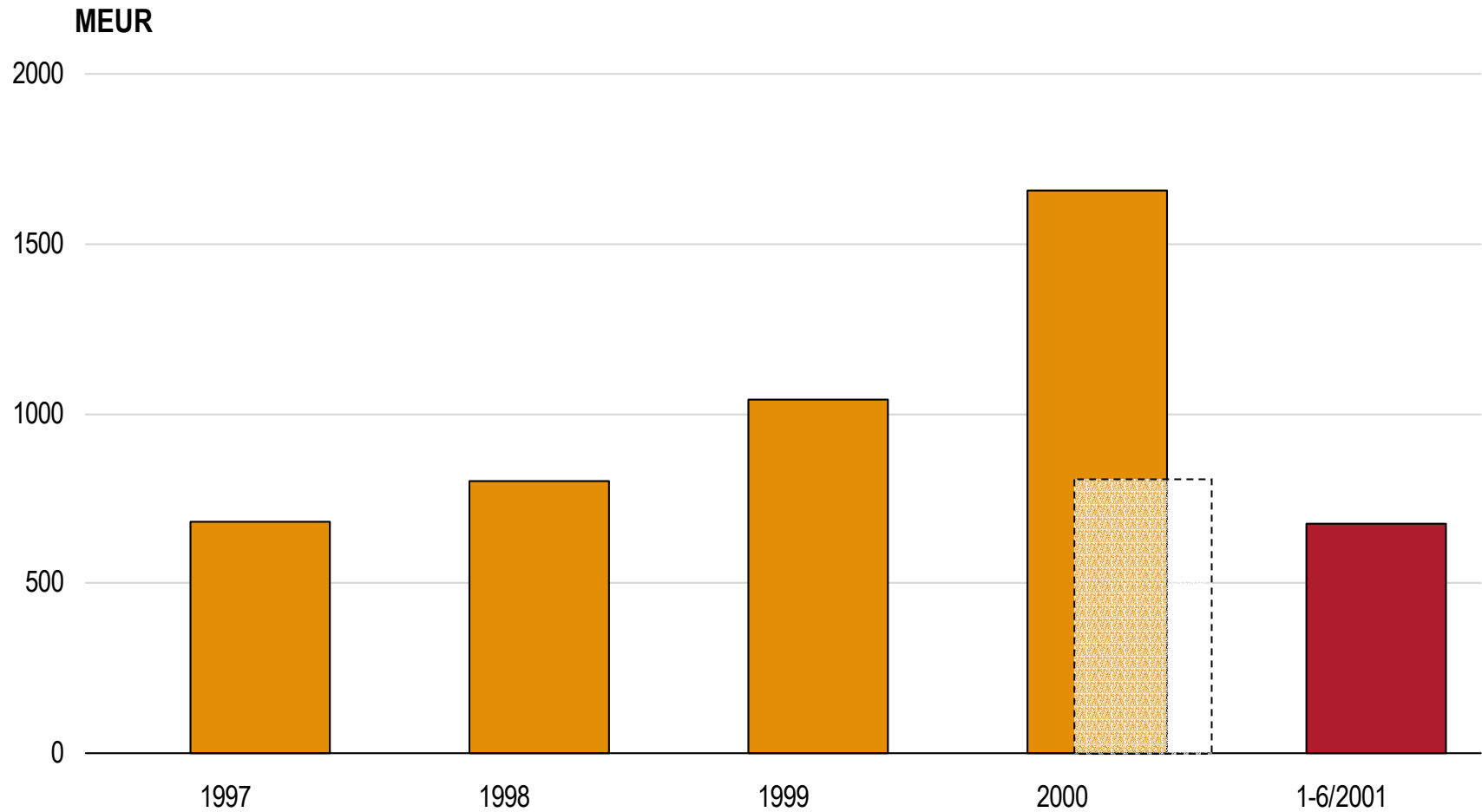
EPS by quarter



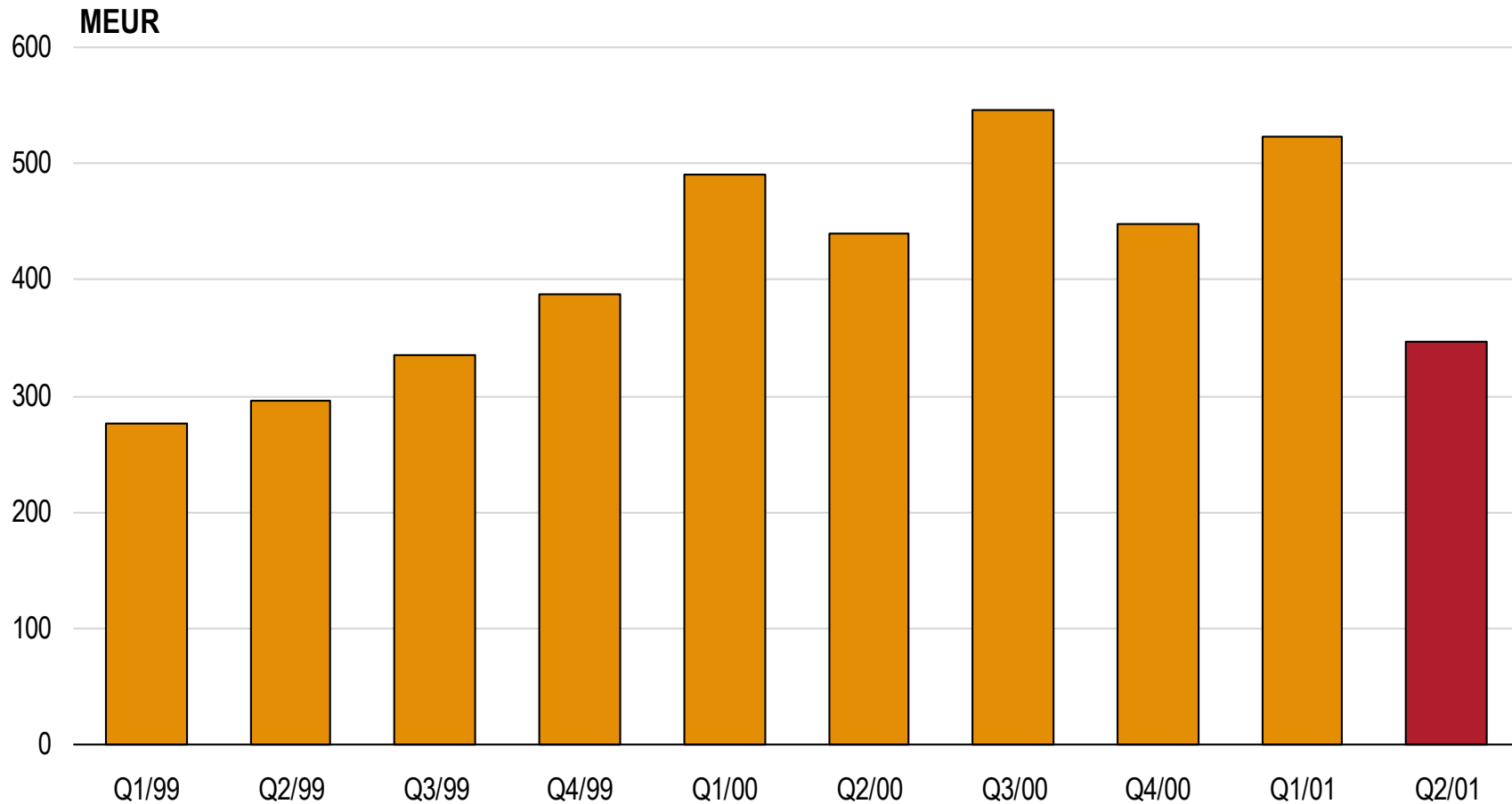
Profit before tax and minority interests



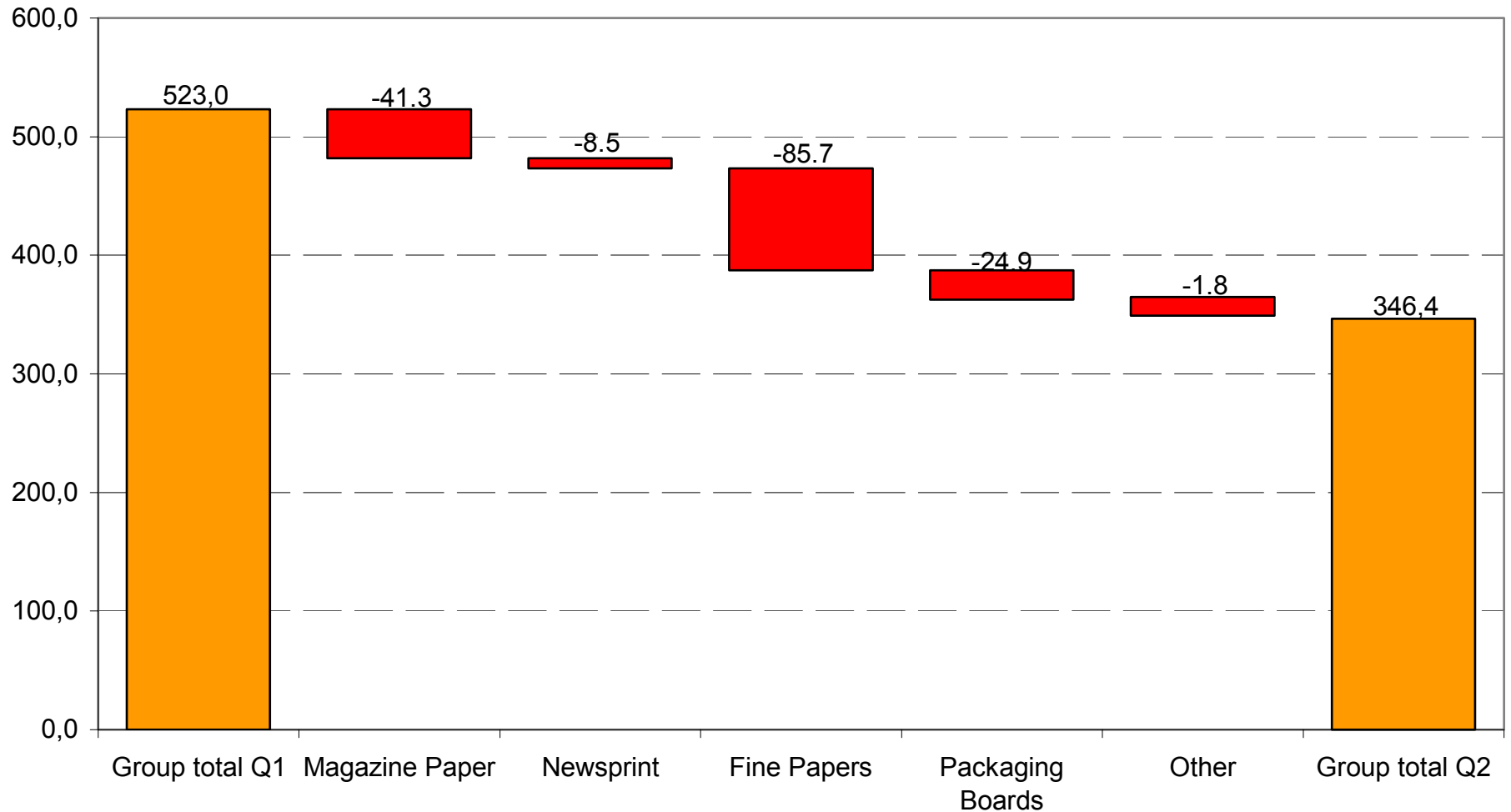
Profit before tax and minority interests



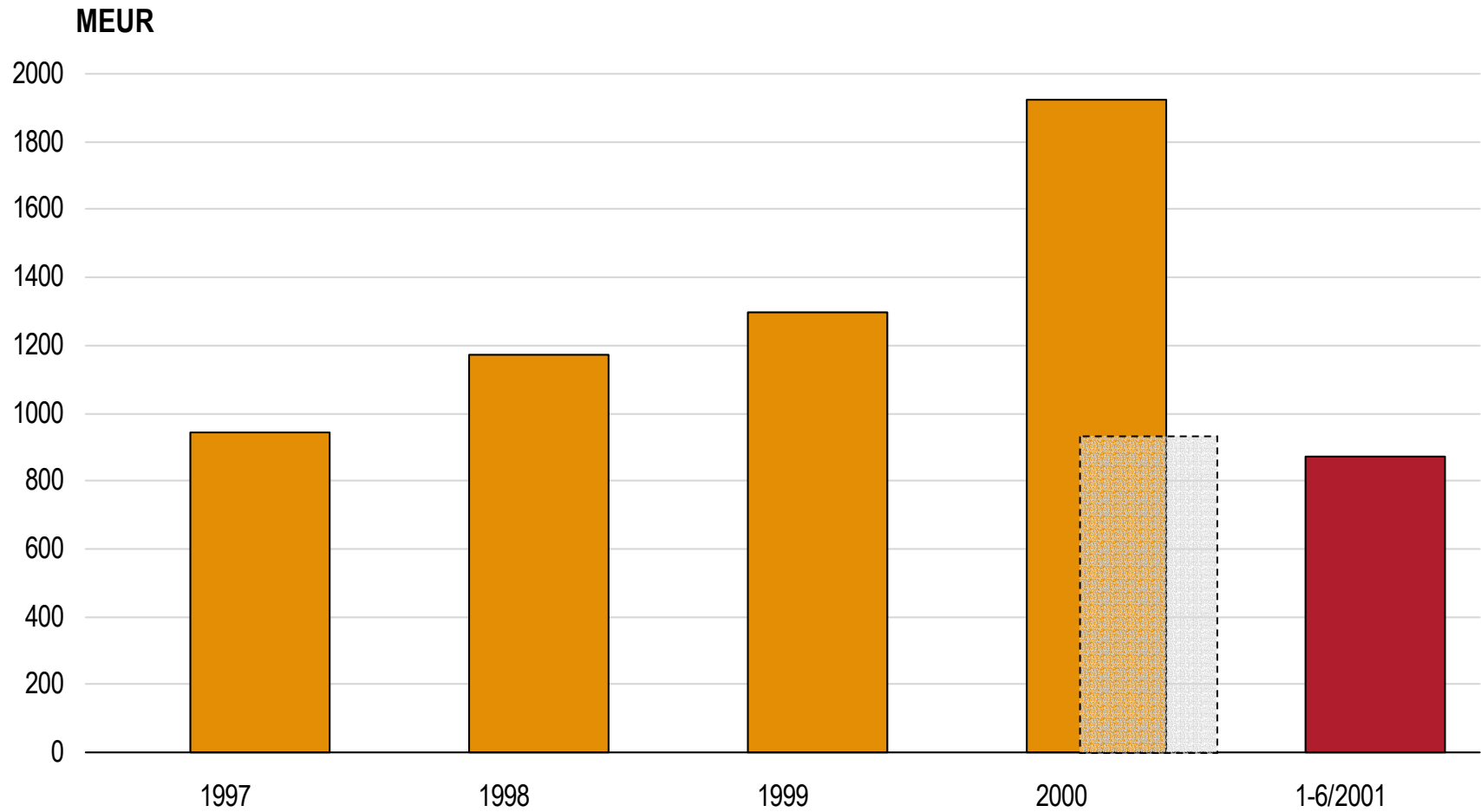
Operating profit by quarter



Change in group operating profit from Q1 to Q2



Operating profit



Operating profit of main product areas

EUR million	I/00	II/00	III/00	IV/00	I/01	II/01
Magazine paper	92	91	139	78	114	72
Operating profit % sales	16	16	19	8	13	9
Newsprint	63	43	81	82	134	126
Operating profit % sales	15	10	18	17	27	26
Fine paper	151	147	194	198	168	82
Operating profit % sales	20	19	22	19	16	9
Packaging boards	116	91	131	104	115	90
Operating profit % sales	16	12	17	14	16	13
Timber	24	22	17	11	6	8
Operating profit % sales	8	7	6	4	2	3

North American merger synergies

June 2001

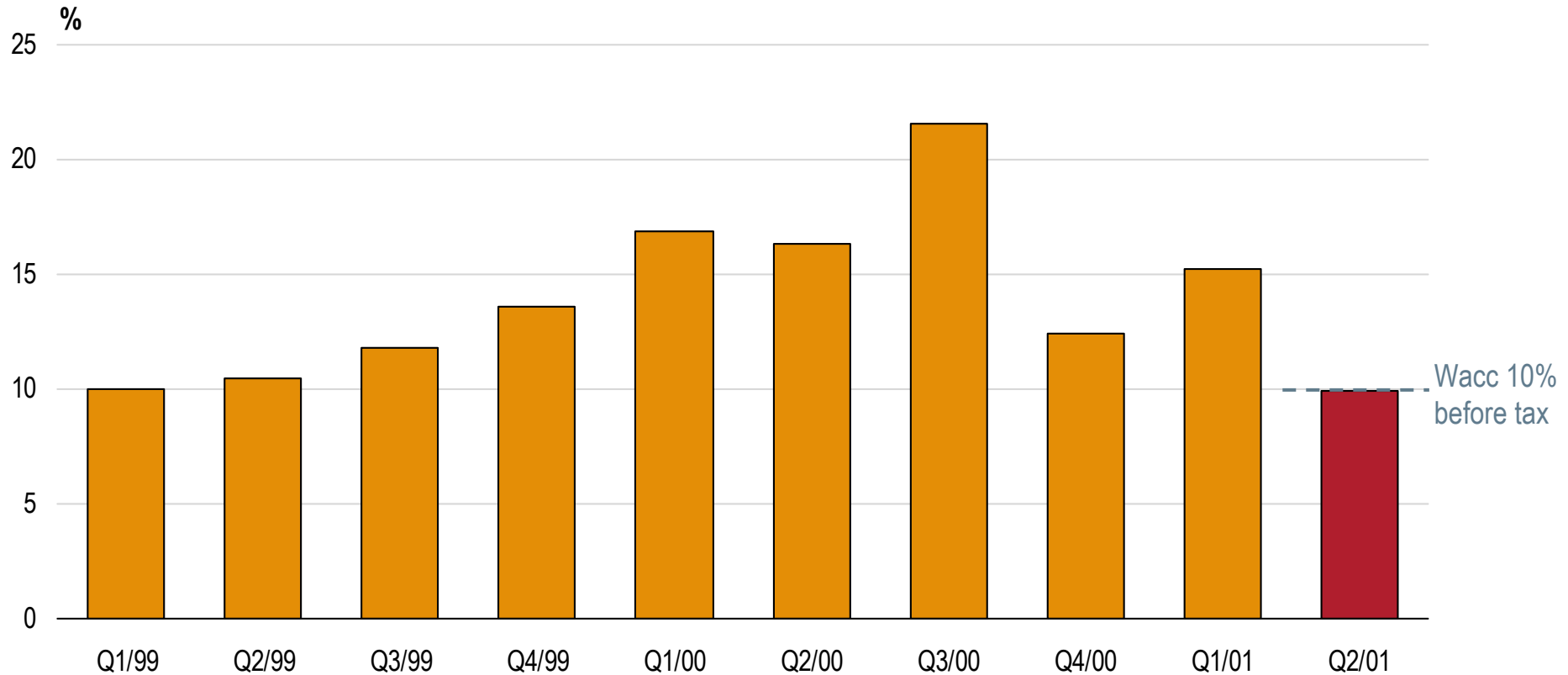
USD million	Realized Jan.–June 2001
Improved speed and time efficiencies	8
Furnish improvements and other non-labor-related cost reductions	6
Sales & Marketing	2
Purchasing and logistics	6
Reduction in force	18
Total	40

Stora Enso North America



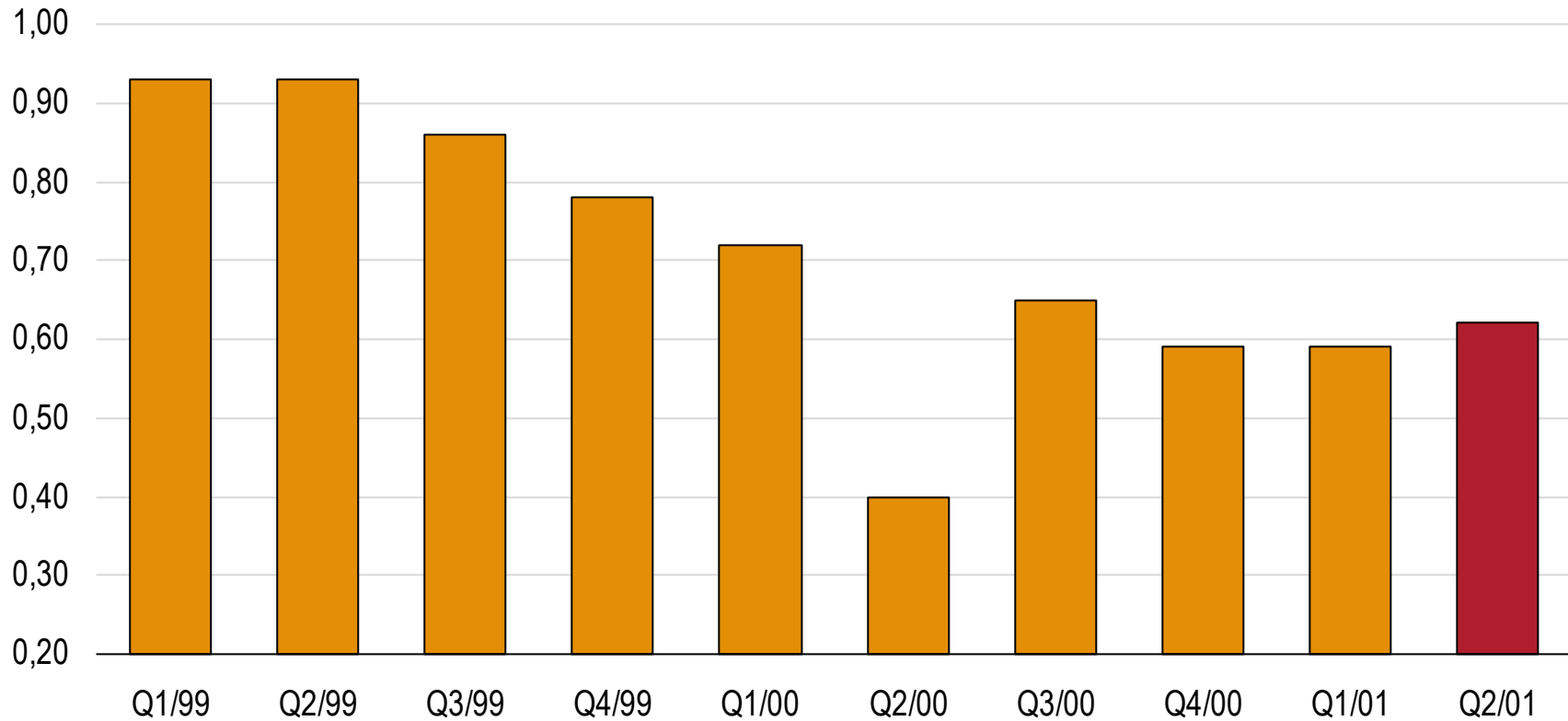
- EBIT before amortization of goodwill was a loss of USD 3 million
- Operating cashflow was USD 101 million
- Production curtailments were 154 000 tonnes i.e. 11 % of SENA capacity
- Realized synergies amounted to USD 40 million

ROCE by quarter



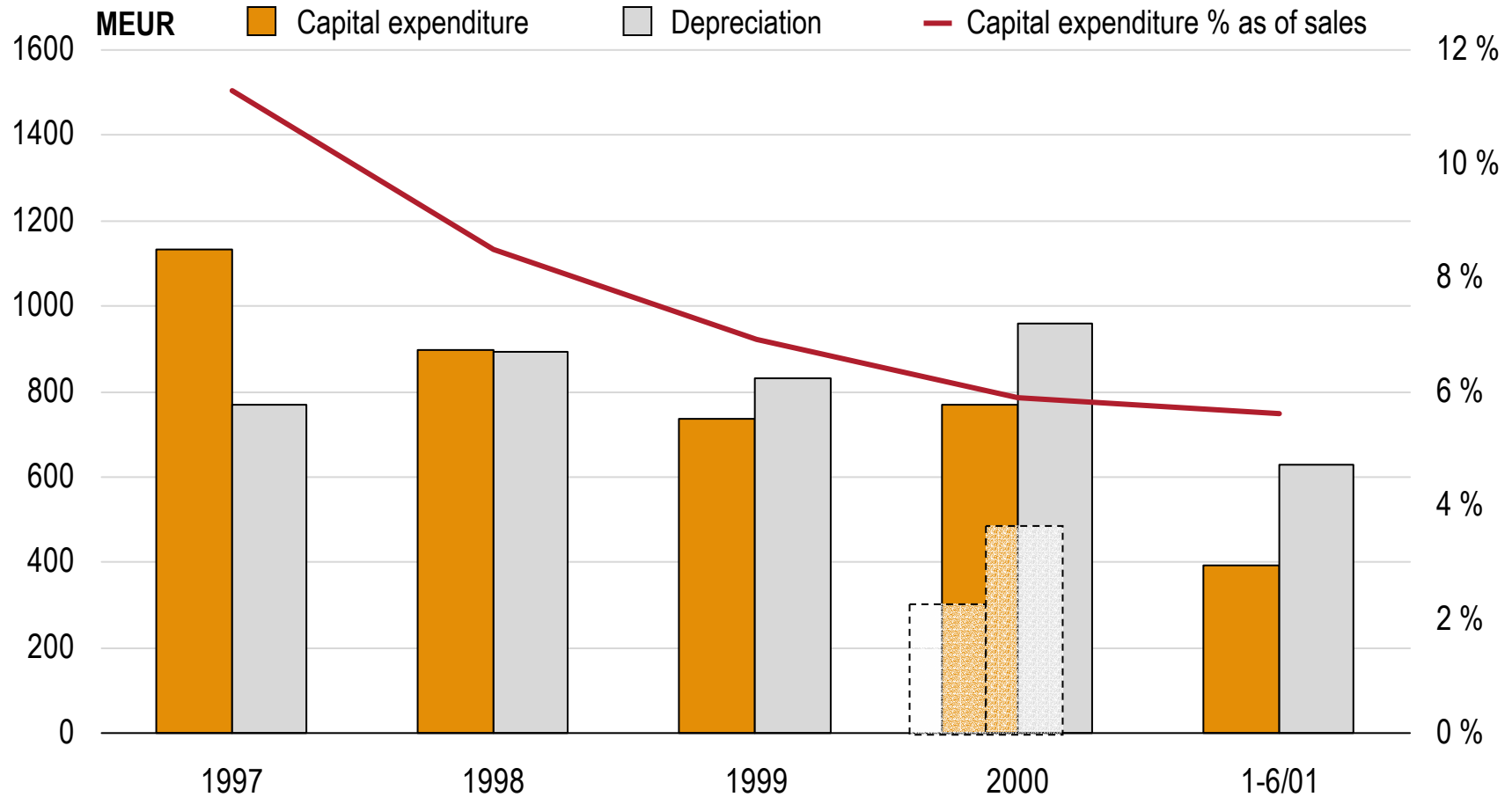
Target \geq 13% over the cycle

Debt/equity



Target ≤ 0.8

Capital expenditure and depreciation



Quarter 2 market related curtailments



Magazine papers

- Europe 75 000 tonnes
- North America 61 000 tonnes

Fine papers

- Europe 93 000 tonnes
- North America 63 000 tonnes

Packaging boards 50 000 tonnes

Total 342 000 tonnes

Market outlook

- Overall demand weakness and pressure on prices will continue in all paper and board grades and sawn timber during the second half of the year
- In pulp and coated fine paper a lot of inventory downsizing has taken place and inventories are lower, but it will still take several months before there is any upturn in demand
- Markets will remain demanding and further capacity control is needed
- Stora Enso will continue to adjust capacity utilisation as appropriate. The full year financial results will depend very much on the industry's ability to maintain prices, on internal efficiency and cost awareness

General business environment

- The full effect of the economic slowdown might already be apparent in the US economy
- In Europe economic forecasts have been revised downwards and demand growth has certainly slowed
- Weak Euro

Summary

- Markets will continue demanding and capacity management is essential
- Internal efficiency and cost awareness will support business
- Share buy-back programme continues

What
paper
can
do