

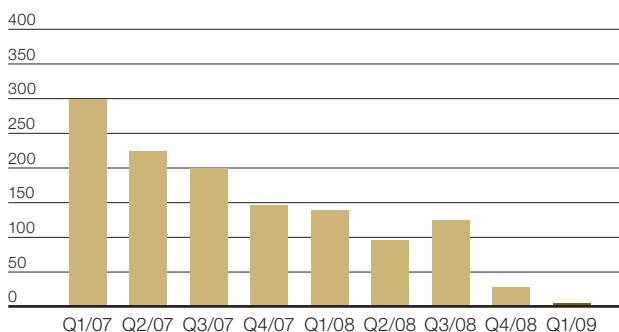
quarter one interim review
january–march 2009

Stora Enso in brief

Stora Enso is a global paper, packaging and forest products company producing newsprint and book paper, magazine paper, fine paper, consumer board, industrial packaging and wood products. The Group has 29 000 employees and 85 production facilities in more than 35 countries worldwide, and is a publicly traded company listed in Helsinki and Stockholm. Our annual production capacity is 12.7 million tonnes of paper and board, 1.5 billion square metres of corrugated packaging and 6.9 million cubic metres of sawn wood products, including 3.2 million cubic metres of value-added products. Our sales in 2008 were EUR 11.0 billion.

Operating profit by quarter

EUR million



Continuing operations

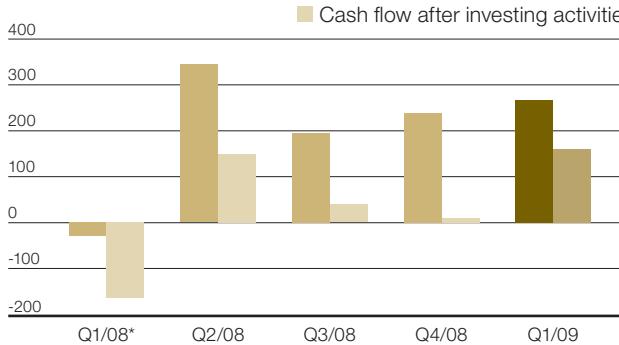
Excluding non-recurring items and fair valuations

Cash flow

EUR million

■ Cash flow from operations

■ Cash flow after investing activities



* Including a one-time change in timing of payment of Finnish pension contributions of EUR 83 million and restructuring payments of EUR 64 million

Debt/equity

0.8

0.7

0.6

0.5

0.4

0.3

0.2

0.1

0



Total operations

Target ≤ 0.8

Stora Enso Interim Review January–March 2009

- Cash flow from operations EUR 264 million through strong working capital management
- Marginally positive operating profit excluding NRI and fair valuations
- EUR 250 million further annual fixed cost reduction planned

Summary of First Quarter Results

Continuing operations		Q1/09	Q4/08	Q1/08
Sales	EUR million	2 130.5	2 602.5	2 831.8
EBITDA excl. NRI and fair valuations	EUR million	134.3	163.3	299.2
Operating Profit excl. NRI and Fair Valuations	EUR million	3.0	28.4	140.1
Operating loss/profit (IFRS)	EUR million	-0.9	-784.2	125.0
Loss/profit before tax excl. NRI	EUR million	-82.1	-81.0	83.1
Loss/profit before tax	EUR million	-48.1	-845.6	83.1
Net loss/profit excl. NRI	EUR million	-60.2	-67.2	66.1
Net loss/profit	EUR million	-36.1	-654.6	66.1
EPS excl. NRI	EUR	-0.08	-0.08	0.08
EPS	EUR	-0.05	-0.82	0.08
CEPS excl. NRI	EUR	0.10	0.06	0.30
ROCE excl. NRI	%	-1.6	-0.8	4.9
ROCE excl. NRI and fair valuations	%	0.1	1.2	5.5

Fair valuations include synthetic options net of realised and open hedges, CO₂ emission rights, and valuations of biological assets mainly related to associated companies' forest assets.

NRI = Non-recurring items.

Message from CEO Jouko Karvinen:

"The first quarter was as demanding as we had expected it to be at the beginning of the year. We continued with our principle of prioritising pricing and profit margin quality at the expense of volume. The decline in demand led to a large cut of almost one quarter in production compared with the first quarter of the previous year and a disappointing EUR 3 million operating profit excluding NRI and fair valuations in the first quarter of this year. The fact that we have reduced our fixed costs significantly in the past two years – by 4 to 5 margin points – is clearly crucial in this dramatic demand situation. Through continued strong management of working capital, our cash flow from operations was a healthy EUR 264 million. This cash flow, the best we have achieved in any first quarter since 2003, despite an operating environment more difficult than at any time since the early nineties, is proof of the benefits of taking action early and decisively.

"It is increasingly clear that the sharp volume declines we are experiencing in our markets are driven more by underlying declines in demand, than customer destocking. Our forecast for the second quarter is for more of the same – significant production curtailments and a strong focus on cash flow and margin quality, together with tight control of capital spending and expenses.

"We will continue to optimise the utilisation of our production assets on a Group-wide basis – by always running the lowest-

cost asset in each grade and curtailing the higher-cost units and machines. This has been and remains crucial as demand has now declined more rapidly than ever before in history. Over the past two years, the cost inflation for our Finnish assets has been clearly worse in several respects – from fibre costs to energy – than for our other production locations, and therefore we will continue to focus a large part of our curtailments to Finland. In 2008 the Stora Enso Group was still clearly profitable, but was already making material operational losses in Finland, and this situation continued to deteriorate in the first quarter of 2009. With continued weakness in underlying demand, we will have to review permanent production closure alternatives as well, again starting from the highest total cost assets within the whole Group.

"Today we are also taking the next step to make Stora Enso a simpler, faster-reacting and more focused Group. Key objectives of this change are consolidating the organisation and building stronger and more powerful businesses that can operationally and strategically react quickly in a rapidly changing environment. We aim to simplify decision-making and move decisions closer to the businesses serving our customers. Consequently, we will scale down staff functions and country organisations, and unfortunately that will lead to up to 2 000 planned redundancies, mostly in administrative functions. Our goal is to reduce total fixed costs by EUR 250 million per year compared with the 2008 level. These changes will create flat and more consolidated

organisations with a wide span of control, but no new organisational layers – and importantly, no loss of transparency in our financial reporting.

“Most of our actions in the past two years – including divestments of assets and difficult restructuring actions in our operational and administrative areas – were in our view absolutely necessary and have reduced our annual fixed costs by 4 to 5 margin points. With the blistering speed of change in our operating environment, this is not enough, however, so we commit ourselves today to a further 2 to 3 margin points improvement. Although the total impact of this will be fully realised only at the end of 2010, we expect the majority of the cost benefits to be achieved already by the end of this year. This is the next logical step on our journey – not a change in direction, but a clear acceleration in improving our structure, focus and costs. In the end, the difference between winners and losers in business is often the speed of their actions, more than anything else.”

Near-term Outlook

In Europe market demand is forecast to remain weak and clearly lower than a year ago for all the Group's products, with no material improvement anticipated until the economic environment starts recovering. The supply and demand balance in the industry has improved, although the recent rapid deterioration in demand has disturbed the balance slightly. Advertising expenditure has fallen sharply and is predicted to remain weak, significantly reducing demand for graphic paper grades in the coming months. Newsprint demand is also affected by declines in circulations of paid and free newspapers. Markets for packaging and wood products are likely to remain weak, although some seasonal improvement in demand is anticipated in the second quarter for some consumer board grades, corrugated packaging and wood products. Production of wood products is expected to decrease in Europe, and this should gradually improve the supply and demand balance.

In Europe publication paper prices are forecast to stay the same as in the first quarter of 2009. Prices for coated fine paper sheets are expected to increase. Prices for coated fine paper reels, uncoated fine paper, some packaging products and wood products are likely to remain under pressure.

In China demand for uncoated magazine paper and coated fine paper is forecast to remain weak. Prices for uncoated magazine paper are expected to be exposed to price pressure in competing with coated magazine paper, but coated fine paper prices show signs that they have bottomed out.

In Latin America prices for coated magazine paper will remain under pressure due to increasing imports. Local demand is expected to stay fairly stable.

Stora Enso forecasts its cost deflation excluding internal actions to be 4% for the full year 2009, the main contributor being reduced fibre costs.

Markets

Compared with Q1/2008

In Europe market demand was significantly weaker for all publication paper grades, fine paper, consumer board and industrial packaging, and even weaker than the low levels of a year ago for wood products.

Market prices in local currencies were higher for newsprint, magazine paper, coated fine paper, consumer board and some industrial packaging grades, slightly lower for corrugated packaging, somewhat lower for uncoated fine paper and recycled-paper-based containerboard, and even lower than a year ago for wood products.

Producer inventories were lower in fine paper and clearly lower in newsprint and magazine paper.

In Latin America market demand for coated magazine paper was weaker but prices were higher than a year ago.

In China market demand for coated fine paper decreased and prices were substantially lower than a year ago. Market demand for uncoated magazine paper was significantly weaker and prices were lower.

Compared with Q4/2008

In Europe market demand for all the Group's products weakened significantly. The slump in construction activity reduced demand for wood products still further.

Market prices in local currencies increased for newsprint, magazine paper, consumer board and some industrial packaging products; were unchanged for coated fine paper, and decreased somewhat for uncoated fine paper and most industrial packaging grades. Prices for wood products remained under severe pressure in all markets.

Producer inventories stabilised at normal levels in newsprint, were largely unchanged in magazine paper and coated fine paper, and decreased in uncoated fine paper.

In Latin America market demand for coated magazine paper weakened but prices still continued to rise.

In China demand for uncoated magazine paper weakened considerably. Demand for coated fine paper also weakened. Uncoated magazine paper prices remained under constant pressure and coated fine paper prices decreased substantially.

Stora Enso Deliveries and Production

	Q1/09	Q4/08	Q1/08	Change % Q1/09– Q1/08	Change % Q1/09– Q4/08
Paper and board deliveries (1 000 tonnes)	2 343	2 851	3 021	-22.4	-17.8
Paper and board production (1 000 tonnes)	2 363	2 698	3 067	-23.0	-12.4
Wood products deliveries (1 000 m ³)	1 113	1 422	1 467	-24.1	-21.7
Corrugated packaging deliveries (million m ²)	228	254	267	-14.6	-10.2

Mill closures and restructurings reduced comparative deliveries as follows for the period Q1/09 compared with Q1/08: Summa Mill closure in January 2008 by some 33 000 tonnes of newsprint and 6 000 tonnes of magazine paper; Anjala Mill restructuring in the first quarter of 2008 by some 20 000 tonnes of magazine paper; Baienfurt Mill closure in December 2008 by some 29 000 tonnes of cartonboard.

Q1/2009 Results

(compared with Q1/2008)

Sales at EUR 2 130.5 million were EUR 701.3 million less than in the first quarter of 2008. Mill closures reduced sales by EUR 89 million. Volumes were lower in all segments. Prices in local currencies increased in Newsprint, Magazine Paper and Consumer Board, but decreased in Fine Paper, most Industrial Packaging grades and Wood Products. Exchange rate trends were unfavourable in all segments except Wood Products.

Key figures

	Q1/09	Q4/08	Q1/08	2008	Change % Q1/09– Q1/08	Change % Q1/09– Q4/08
Continuing Operations						
Sales	2 130.5	2 602.5	2 831.8	11 028.8	-24.8	-18.1
EBITDA excl. NRI and fair valuations	134.3	163.3	299.2	1 027.2	-55.1	-17.8
Operating profit excl. NRI and fair valuations	3.0	28.4	140.1	388.4	-97.9	-89.4
Operating loss/profit excl. NRI	-34.9	-19.5	125.0	318.8	-127.9	-79.0
Operating margin excl. NRI, %	-1.6	-0.7	4.4	2.9	-136.4	-128.6
Operating loss/profit (IFRS)	-0.9	-784.2	125.0	-726.6	-100.7	99.9
Operating loss/profit, % of sales	0.0	-30.1	4.4	-6.6	n/a	n/a
Loss/profit before tax and minority interests excl. NRI	-82.1	-81.0	83.1	151.6	-198.8	-1.4
Loss/profit before tax and minority interests	-48.1	-845.6	83.1	-893.8	-157.9	94.3
Net loss/profit for the period excl. NRI	-60.2	-67.2	66.1	142.8	-191.1	10.4
Net loss/profit for the period	-36.1	-654.6	66.1	-679.0	-154.6	94.5
ROCE from continuing operations excl. NRI and fair valuations, %	0.1	1.2	5.5	4.1	-98.2	-91.7
ROCE from continuing operations excl. NRI, %	-1.6	-0.8	4.9	3.4	-132.7	-100.0
Earnings per share (EPS) excl. NRI, EUR	-0.08	-0.08	0.08	0.18	-200.0	0.0
Earnings per share (basic), EUR	-0.05	-0.82	0.08	-0.86	-162.5	93.9
Cash earnings per share (CEPS) excl. NRI, EUR	0.10	0.06	0.30	0.99	-66.7	66.7
Cash earnings per share, EUR	0.12	0.16	0.30	0.94	-60.0	-25.0
Return on equity (ROE), %*	-2.6	-40.8	3.8	-10.1	-168.4	93.6
Debt/equity ratio*	0.55	0.56	0.50	0.56	10.0	-1.8
Equity per share, EUR*	6.82	7.09	9.05	7.09	-24.6	-3.8
Equity ratio, %*	45.1	46.2	48.7	46.2	-7.4	-2.4
Average number of employees	29 695	33 815	34 315	33 815	-13.5	-12.2
Average number of shares (million)						
periodic	788.6	788.6	788.6	788.6	-	-
cumulative	788.6	788.6	788.6	788.6	-	-
cumulative, diluted	788.6	788.6	788.6	788.6	-	-

NRI = Non-recurring items. These are exceptional transactions that are not related to normal business operations. The most common non-recurring items are capital gains, additional write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally specified individually if they exceed one cent per share.

Fair valuations include synthetic options net of realised and open hedges, CO2 emission rights, and valuations of biological assets mainly related to associated companies' forest assets.

* Total operations

Reconciliation of Operating Profit

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/09–Q4/08
Loss/profit from operations, excl. NRI	-10.3	6.4	124.4	-108.3	-260.9
Associated companies, operational, excl. fair valuations	13.3	22.0	15.7	-15.3	-39.5
Operating Profit excl. NRI and Fair Valuations	3.0	28.4	140.1	-97.9	-89.4
Fair valuations	-37.9	-47.9	-15.1	-151.0	20.9
Operating Loss/Profit, excl. NRI	-34.9	-19.5	125.0	-127.9	-79.0
NRI	34.0	-764.7	0.0	n/a	104.4
Operating Loss/Profit (IFRS)	-0.9	-784.2	125.0	-100.7	99.9

Q1/2009 Results

(compared with Q1/2008)

(continued)

Operating profit excluding non-recurring items and fair valuations decreased by EUR 137.1 million to EUR 3.0 million. Operating profit deteriorated in all segments: by EUR 43.0 million in Fine Paper, by EUR 27.3 million in Magazine Paper, by EUR 27.0 million in Consumer Board and by EUR 24.1 million in Industrial Packaging. There was an operating loss of EUR 23.7 (EUR 23.4) million in Wood Products, an operating loss of EUR 5.7 million (operating profit EUR 37.3 million) in Fine Paper and an operating loss of EUR 0.1 million (operating profit of EUR 27.2 million) in Magazine Paper. In the segment Other there was an operating loss of EUR 21.3 (EUR 13.2) million.

In the first quarter of 2009, the Group curtailed paper and board production by 21%, pulp production by 13% and sawnwood production by 35% of capacity.

Higher sales prices in local currencies increased the operating profit of paper and board mills by EUR 75 million, excluding the effects of mill closures. Lower sales prices had a negative impact of EUR 36 million on the Wood Products operating profit figure, resulting in an operating loss. Lower sales volumes reduced operating profit by EUR 233 million.

Higher energy prices, which had been anticipated, reduced operating profit by EUR 44 million. Lower woods costs, mainly for sawlogs, increased Group operating profit by approximately EUR 31 million. Deliveries of wood to the Group's mills were 29% less than a year earlier at 7.3 million cubic metres. Fixed costs decreased by EUR 78 million, mainly due to cost improvement actions, including restructuring.

The share of associated company operational results, excluding non-recurring items and fair valuations, amounted to EUR 13.3 (EUR 15.7) million. Operating profit includes a net effect of EUR -37.9 (EUR -15.1) million from the accounting of share-based compensation, Total Return Swaps (TRS), CO₂ emission rights and IAS 41 forest valuations mainly related to associated companies.

Net non-recurring items totalling EUR 34 million had a positive impact, mainly due to the sale of the Summa Mill site to Google for EUR 38 million.

Net financial items were EUR -47.2 (EUR -41.9) million. Net interest expenses decreased from EUR -41.3 million to EUR -32.0 million, mainly due to lower interest rates. Net foreign exchange losses on borrowings, currency derivatives and bank accounts increased from EUR -8.7 million to EUR -23.6 million, mainly due to euro-denominated loans in Russia.

The net gain from other financial items amounted to EUR 8.4 (EUR 8.1) million, comprising income of EUR 5.6 million from payment-in-kind notes, fair valuation gains of EUR 2.2 million on interest rate swaps, fair value gains of EUR 3.2 million on long-term debt and other expenses of EUR -2.6 million.

Group capital employed was EUR 8 392.2 million on 31 March 2009, a net decrease of EUR 1 898.5 million due to the divestment of Merchant operations, restructuring of the Group, fixed asset and goodwill impairments, fair valuations of unlisted shares in Pohjolan Voima and NewPage, and decreased working capital.

Operating profit excluding non-recurring items and fair valuations decreased by EUR 25.4 million to EUR 3.0 million as cost reductions in many areas could not fully offset lower sales volumes and the unfavourable impact of exchange rate trends on sales prices.

Group capital employed was EUR 8 392.2 million on 31 March 2009, a net decrease of EUR 382.3 million due to decreased working capital and fair valuations of unlisted shares in Pohjolan Voima and NewPage.

Q1/2009 Results

(compared with Q4/2008)

Sales at EUR 2 130.5 million were EUR 472.0 million less than the previous quarter's EUR 2 602.5 million due to lower deliveries, especially in Newsprint and Magazine Paper, and unfavourable exchange rate trends. Mill and machine closures decreased sales by EUR 20 million.

Capital Structure

EUR million	31 Mar 09	31 Dec 08	31 Mar 08
Operative fixed assets	6 648.8	6 853.7	8 087.0
Associated companies	1 063.5	1 042.5	1 141.4
Operative working capital	1 435.4	1 674.7	2 122.9
Non-current interest-free items, net	-491.1	-513.6	-496.4
Operating Capital Total	8 656.6	9 057.3	10 854.9
Net tax liabilities	-264.4	-282.8	-564.2
Capital Employed	8 392.2	8 774.5	10 290.7
Equity attributable to Company shareholders	5 382.3	5 594.0	6 941.0
Equity in discontinued operations	-	-	193.1
Non-controlling interests	57.3	56.5	69.2
Net interest-bearing liabilities	2 952.6	3 124.0	3 280.5
Discontinued operations	-	-	-193.1
Financing Total	8 392.2	8 774.5	10 290.7

Financing Q1/2009

(compared with Q4/2008)

Cash flow was EUR 263.6 (EUR 236.7) million and cash flow after investing activities EUR 159.4 (EUR 13.2) million. Despite poor profitability, the cash flow was strong due to effective working capital management, disciplined capital expenditure and the proceeds from the sale of the Summa Mill site to Google. At the end of the period, net interest-bearing liabilities of the Group were EUR 2 952.6 million, a decrease of EUR 171.4 million, including some EUR 116 million due to increased cash and cash equivalents, net of overdrafts.

Total unutilised committed credit facilities remained unchanged at EUR 1 400 million, and cash and cash-equivalents net of overdrafts increased from EUR 373 million to EUR 489 million. In addition, Stora Enso has access to various long-term sources of funding totalling EUR 700 million.

The debt/equity ratio at 31 March 2009 was 0.55 (0.56). The currency effect on equity was positive EUR 23 million net of the hedging of equity translation risks. The fair valuation of unlisted equity and debt instruments, mainly related to Pohjolan Voima and NewPage, included within available-for-sale assets decreased equity by EUR 197 million. The decrease in the fair value of Pohjolan Voima was due to the decrease in electricity prices since the fourth quarter of 2008 and the decrease in the value of NewPage Corporation was due to the worsening market conditions in the USA.

Financing Q1/2009

(compared with Q1/2008)

At the end of the first quarter of 2009 Stora Enso had current borrowings of EUR 1 103.0 million compared with EUR 710.9 million at the end of the first quarter of 2008. Cash and cash equivalents at the end of the first quarter of 2009 amounted to EUR 493.0 million, compared with EUR 308.2 million at the end of the first quarter of 2008.

Cash Flow

EUR million	Q1/09	Q4/08	Q1/08	2008	Change %	Change %
					Q1/09– Q1/08	Q1/09– Q4/08
Continuing Operations						
Operating loss/profit	-0.9	-784.2	125.0	-726.6	-100.7	99.9
Depreciation and other non-cash items	100.9	824.8	193.9	1 443.2	-48.0	-87.8
Change in working capital	163.6	196.1	-346.3	31.8	147.2	-16.6
Cash Flow from Operations	263.6	236.7	-27.4	748.4	n/m	11.4
Capital expenditure	-104.2	-223.5	-134.0	-704.7	22.2	53.4
Cash Flow after Investing Activities	159.4	13.2	-161.4	43.7	198.8	n/m
Discontinued Operations						
Cash flow from discontinued operations						
after investing activities	0.0	0.0	17.0	51.5	-100.0	n/a
Total Cash Flow after Investing Activities	159.4	13.2	-144.4	95.2	210.4	n/m

Capital Expenditure for January–March 2009

The target capital expenditure for the Group for the full year 2009 is EUR 400 million. Capital expenditure for the first quarter of 2009 totalled EUR 104.2 million including land acquisitions, which is 72% of depreciation in the first quarter.

The main projects during the first quarter of 2009 were power plants and energy-related projects at existing mills (EUR 40 million), development of existing production (EUR 30 million) and plantations in South America and China (EUR 15 million).

Goodwill and Fixed Asset Impairment Testing

The Group undertakes impairment testing annually in the fourth quarter of each year to align the testing procedures with the strategy and planning process. However, the Group also assesses on a regular basis whether there are any indications that additional goodwill or fixed asset impairment testing is required. The Group did not undertake any impairment testing in the first quarter of 2009 but will review the situation closely in the coming quarters. The remaining goodwill in the Group's statement of financial position as of 31 March 2009 was EUR 206.7 million.

Short-term Risks and Uncertainties

The main short-term risks and uncertainties are related to possible deterioration of the global economy and the effect that would have on demand for the Group's products, and the availability and price of wood fibre.

Energy sensitivity analysis for 2009: the direct effect on 2009 operating profit of a 10% change in electricity and oil market prices would be about EUR 18 million, after the effect of hedges.

Wood sensitivity analysis for 2009: the direct effect on 2009 operating profit of a 10% change in wood prices would be about EUR 160 million.

Near-term Outlook

In Europe market demand is forecast to remain weak and clearly lower than a year ago for all the Group's products, with no material improvement anticipated until the economic environment starts recovering. The supply and demand balance in the industry has improved, although the recent rapid deterioration in demand has disturbed the balance slightly. Advertising expenditure has fallen sharply and is predicted to remain weak, significantly reducing demand for graphic paper grades in the coming months. Newsprint demand is also affected by declines in circulations of paid and free newspapers. Markets for packaging and wood products are likely to remain weak, although some seasonal improvement in demand is anticipated in the second quarter for some consumer board grades, corrugated packaging and wood products. Production of wood products is expected to decrease in Europe, and this should gradually improve the supply and demand balance.

In Europe publication paper prices are forecast to stay the same as in the first quarter of 2009. Prices for coated fine paper sheets are expected to increase. Prices for coated fine paper reels, uncoated fine paper, some packaging products and wood products are likely to remain under pressure.

In China demand for uncoated magazine paper and coated fine paper is forecast to remain weak. Prices for uncoated magazine paper are expected to be exposed to price pressure in competing

with coated magazine paper, but coated fine paper prices show signs that they have bottomed out.

In Latin America prices for coated magazine paper will remain under pressure due to increasing imports. Local demand is expected to stay fairly stable.

Stora Enso forecasts its cost deflation excluding internal actions to be 4% for the full year 2009, the main contributor being reduced fibre costs.

First Quarter Events

January

On 16 January 2009 Stora Enso announced that it had appointed Lauri Peltola as the new Head of Group Communications to succeed Kari Vainio, who retired at the end of 2008. Lauri Peltola joined Stora Enso on 14 April 2009. He is based in Helsinki and reports to CEO Jouko Karvinen.

On 19 January 2009 Stora Enso announced that significant paper and board production curtailments as well as curtailments in pulp and sawmill operations would continue during the first half of 2009, in addition to the curtailments in Wood Products announced on 30 October 2008, owing to the weakened demand for the Group's products.

On 19 January 2009 Stora Enso also announced that it was starting co-determination negotiations concerning temporary lay-offs in Finland.

On 29 January 2009 Stora Enso announced that it had been included in the Global 100, a list of the 100 most sustainable companies in the world publicised at the World Economic Forum in Davos, Switzerland. Stora Enso is considered among the best in class in the forest products industry in managing environmental, social and governance risks and opportunities.

February

On 5 February 2009 Stora Enso announced that it was modifying the remuneration of its Board of Directors, management and staff.

On 5 February 2009 Stora Enso also announced that parent company Stora Enso Oyj had reclassified EUR 1 512 million from its retained earnings to its share premium fund due to an incorrect classification between restricted and distributable equity upon the cancellation of its own shares in the years 2001–2006.

On 12 February 2009 Stora Enso announced that it had signed an agreement to sell the buildings and most of the Summa Mill site in Finland to the Google Group of Companies for approximately EUR 40 million. The transaction would improve operating profit by approximately EUR 38 million, of which approximately EUR 15

million would be a reversal of an earlier impairment, and would be recorded as a non-recurring item in the first quarter 2009 results. On 2 March 2009 Stora Enso announced that it had finalised the divestment.

Veracel

On 11 July 2008 Stora Enso announced that a federal judge in Brazil had claimed in a judgement that the permits issued by the State of Bahia to Stora Enso's associated company Veracel were not valid. The judge also decreed remedial actions, including reforestation with native trees on part of Veracel's plantation land and a possible BRL 20 million (EUR 8 million) fine. Veracel vigorously disputes the findings of the court and has taken legal action against the judgement. Veracel operates in full compliance with all Brazilian laws, has undertaken an extensive environmental impact assessment study and has obtained all the necessary environmental and operating licences for its industrial and forestry activities. In November 2008, the Federal Court of the municipality of Eunápolis, Bahia, suspended the effects of the decision as an interim measure. Veracel has not recorded any provision for the reforestation or the possible fine.

Restructuring Actions

On 23 April 2009 Stora Enso announced that it planned to reorganise its operations with the aim of reducing annual costs by EUR 250 million, majority of the reduction to be achieved during 2009 and the remainder by the end of 2010. Up to 2 000 employees will be affected, mainly as a result of the leaner management structures. The final outcome will depend on the result of the co-determination procedure. The ongoing focused administration project Stora Enso announced on 10 September 2008 to reduce the size of its administration to suit its more focussed business needs and the restructuring of financial administration that started in 2007 will be incorporated into the planned reorganisation and restructuring.

Inspections by Competition Authorities

In 2007, following US Federal District Court trial, Stora Enso was found not guilty of charges by the US Department of Justice relating to the sale of coated magazine paper in the USA in 2002 and 2003. Coincident with this case, Stora Enso has been named in a number of class action lawsuits filed in the USA which still are pending.

As a result of an investigation, the Finnish Competition Authority has proposed to the Finnish Market Court that a fine of EUR 30 million should be imposed on Stora Enso for violating competition laws in the purchasing of wood in Finland in the period from 1997 to 2004. The court hearings are expected to begin during 2009. Stora Enso considers the proposal groundless.

No provision has been made in Stora Enso's accounts for the above-mentioned investigation and lawsuits.

Share Capital

During the quarter, the conversion of 50 A shares into R shares was recorded in the Finnish Trade Register on 15 January 2009.

On 31 March 2009 Stora Enso had 177 152 431 A shares and 612 386 068 R shares in issue of which the Company held no A shares and 918 512 R shares with a nominal value of EUR 1.6 million. The holding represents 0.12% of the Company's share capital and 0.04% of the voting rights.

Changes in shareholdings

In January the number of shares in Stora Enso Oyj held by AXA S.A. and its subsidiaries (AXA Group) decreased below 10% of the paid-up share capital and the number of shares in Stora Enso Oyj.

In February the number of shares in Stora Enso Oyj held by Foundation Asset Management Sweden AB increased above 10% of the paid-up share capital and the number of shares in Stora Enso Oyj.

In March the number of shares in Stora Enso Oyj held by AXA S.A. and its subsidiaries (AXA Group) decreased below 5% of the paid-up share capital and the number of shares in Stora Enso Oyj.

In April Stora Enso announced that the number of shares in the Company held by the funds managed by Orbis Investment Management Limited, Orbis Asset Management Limited and Orbis Portfolio Management (Europe) LLP had increased above 5% of the paid-up share capital and the number of shares in Stora Enso Oyj on 31 March 2009.

Decisions of the Annual General Meeting on 1 April 2009

The AGM approved a proposal by the Board of Directors that EUR 0.20 per share, in total EUR 157 907 699.80, be distributed to the shareholders from the share premium fund of the parent company.

The AGM authorised the Board of Directors to decide the record and payment dates for the distribution of the funds. It is currently anticipated that record date will be 31 July 2009 and the payment date around 10 August 2009. The dates will be confirmed when the Finnish National Board of Patents and Registration has given its consent to the decrease of the share premium fund.

The AGM approved a proposal that the Board of Directors shall have nine members and that of the current members of the Board of Directors, Gunnar Brock, Claes Dahlbäck, Dominique Hériard Dubreuil, Birgitta Kantola, Ilkka Niemi, Juha Rantanen, Matti

Vuoria and Marcus Wallenberg be re-elected as members of the Board of Directors until the end of the following AGM and that Hans Stråberg be elected as a new member of the Board of Directors for the same term of office. Jan Sjöqvist was not seeking re-election.

The AGM approved a proposal that the current auditor, Authorised Public Accountants Deloitte & Touche Oy, be re-elected auditor of the Company until the end of the following AGM. The AGM approved a proposal that remuneration for the auditor be paid according to invoice.

The AGM approved a proposal to appoint a Nomination Committee to prepare proposals concerning (a) the number of members of the Board of Directors, (b) the members of the Board of Directors, (c) the remuneration for the Chairman, Vice Chairman and members of the Board of Directors and (d) the remuneration for the Chairman and members of the committees of the Board of Directors.

The AGM approved a proposal that the share premium fund as shown in the balance sheet of the parent company as per 31 December 2008 be decreased by EUR 1 688 145 310.08, and the reserve fund as shown in the balance sheet of the parent company as per 31 December 2008 by EUR 353 946 990.12 by transferring these amounts to the invested non-restricted equity fund.

The decrease of the share premium fund and the reserve fund is subject to and will become effective following consent by the Finnish National Board of Patents and Registration.

Decisions by Board of Directors

At its meeting held after the AGM, the Stora Enso Board of Directors elected from among its members Claes Dahlbäck as its Chairman and Ilkka Niemi as Vice Chairman.

Claes Dahlbäck, Birgitta Kantola and Ilkka Niemi continue as members of the Financial and Audit Committee. Birgitta Kantola was appointed to chair the Financial and Audit Committee.

Claes Dahlbäck (chairman), Dominique Hériard Dubreuil, Ilkka Niemi and Matti Vuoria continue as members of the Remuneration Committee.

Stora Enso's Board of Directors appointed Chief Financial Officer (CFO) Markus Rauramo as deputy to the CEO as defined in the Finnish Companies Act. The specific role of Deputy CEO was discontinued with the retirement of Deputy CEO Hannu Ryöppönen from Stora Enso on 1 April 2009.

Events after the Period

On 23 April 2009 Stora Enso announced that it will start co-determination negotiations in Finland with the aim of reducing capacity at Kitee and Varkaus sawmills and restructuring Puumerkki operations in Finland and Latvia. These actions would reduce the annual capacity by a total of 120 000 cubic metres and affect about 50 persons.

On 23 April 2009 Stora Enso also announced that it will acquire Myllykoski Paper's remaining 49% minority shareholding in Sunila Oy in Finland for EUR 6 million. The transaction is subject to approval by competition authorities and is expected to close by the end of the second quarter of 2009.

On 23 April 2009 Stora Enso also announced that it planned to reorganise its operations with the aim of reducing annual costs by EUR 250 million, majority of the reduction to be achieved during 2009 and the remainder by the end of 2010. Up to 2 000 employees will be affected, mainly as a result of the leaner management structures. The final outcome will depend on the result of the co-determination procedure.

This report is unaudited.

Helsinki, 23 April 2009

Stora Enso Oyj

Board of Directors

Segments Q1/09 compared with Q1/08

Newsprint and Book Paper

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/08–Q4/08
Sales	308.7	414.0	386.5	-20.1	-25.4
EBITDA*	48.4	83.6	55.2	-12.3	-42.1
Operating profit*	21.5	53.0	26.4	-18.6	-59.4
% of sales	7.0	12.8	6.8	2.9	-45.3
ROOC, %**	7.6	18.6	8.9	-14.6	-59.1
Deliveries, 1 000 t	546	745	711	-23.2	-26.7
Production, 1 000 t	573	699	715	-19.9	-18.0

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Newsprint and book paper sales were EUR 308.7 million, down 20% on the first quarter of 2008 due to lower deliveries. Operating profit was EUR 21.5 million, down 19% on the first quarter of 2008 as higher product prices, lower production costs, especially for fibre, and depreciation of the Swedish krona could not compensate for the lower sales volumes.

Markets

Compared with Q1/2008

In Europe demand for newsprint was much weaker than a year ago due to the economic slowdown and resultant slump in advertising spending. However, market prices were higher. Newsprint imports increased. Deliveries by Western European suppliers to European and overseas markets were lower, and producer inventories were generally much lower than a year ago.

Compared with Q4/2008

In Europe demand weakened substantially following customer inventory building in December. Deliveries by European suppliers to European and overseas markets declined. Prices were higher in Europe and producer inventories stabilised at normal levels. Overseas prices decreased.

Magazine Paper

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/08–Q4/08
Sales	380.8	544.3	547.3	-30.4	-30.0
EBITDA*	27.3	53.2	60.8	-55.1	-48.7
Operating loss/profit*	-0.1	19.7	27.2	-100.4	-100.5
% of sales	0.0	3.6	5.0	n/a	n/a
ROOC, %**	0.0	5.4	7.1	n/a	n/a
Deliveries, 1 000 t	487	709	691	-29.5	-31.3
Production, 1 000 t	501	644	728	-31.2	-22.2

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Magazine paper sales were EUR 380.8 million, down 30% on the first quarter of 2008 due to capacity closures and weak demand. The operating loss of EUR 0.1 million was a deterioration of EUR 27.3 million compared with the first quarter of 2008 as significantly

lower production volumes and large energy price rises more than offset sales price increases at the beginning of the year and restructuring benefits.

Markets**Compared with Q1/2008**

In Europe demand was weaker for uncoated and much weaker for coated magazine paper. Producer inventories were considerably lower but prices were higher in both grades.

In Latin America demand for coated magazine paper was weaker but prices were higher.

In China demand for uncoated magazine paper was significantly weaker and prices were lower.

Compared with Q4/2008

In Europe deliveries of coated and uncoated grades decreased still further. Producer inventories were kept relatively stable by extensive downtime. Prices for coated and uncoated grades rose.

In Latin America deliveries of coated magazine paper decreased but prices still increased slightly.

In China demand for uncoated magazine paper weakened considerably and prices were under constant pressure.

Fine Paper

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/08–Q4/08
Sales	431.9	484.8	545.2	-20.8	-10.9
EBITDA*	22.6	19.5	73.8	-69.4	15.9
Operating loss/profit*	-5.7	-9.7	37.3	-115.3	41.2
% of sales	-1.3	-2.0	6.8	-119.1	35.0
ROOC, %**	-1.7	-2.5	8.5	-120.0	32.0
Deliveries, 1 000 t	590	622	726	-18.7	-5.1
Production, 1 000 t	591	611	696	-15.1	-3.3

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Fine paper sales were EUR 431.9 million, down 21% on the first quarter of 2008 mainly due to weaker market demand. The operating loss of EUR 5.7 million was a deterioration of EUR 43.0 million compared with the first quarter of 2008 due to market-related production curtailments and lower uncoated fine paper prices.

Markets**Compared with Q1/2008**

In Europe demand for coated and uncoated fine paper was much weaker than a year ago as advertising spending plummeted in the economic downturn. Coated fine paper prices were higher but uncoated fine paper prices were lower than a year ago. Industry inventories were lower.

In China coated fine paper demand was again weaker and prices substantially lower than a year ago.

Compared with Q4/2008

In Europe demand for coated and uncoated fine paper decreased substantially. Coated fine paper prices and industry inventories were stable, but uncoated fine paper prices and industry inventories decreased.

In China coated fine paper demand continued to weaken and prices declined substantially.

Consumer Board

EUR million	Q1/09	Q4/08	Q1/08	Change % Q1/09– Q1/08	Change % Q1/09– Q1/08
Sales	459.9	506.3	574.4	-19.9	-9.2
EBITDA*	44.6	31.6	78.8	-43.4	41.1
Operating profit*	15.5	4.3	42.5	-63.5	260.5
% of sales	3.4	0.8	7.4	-54.1	325.0
ROOC, %**	4.9	1.3	10.0	-51.0	276.9
Deliveries, 1 000 t	529	546	636	-16.8	-3.1
Production, 1 000 t	509	526	660	-22.9	-3.2

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Consumer board sales were EUR 459.9 million, down 20% on the first quarter of 2008 as volumes and pulp prices decreased substantially. Volumes decreased, partly due to the closure of Baienfurt Mill. Operating profit was EUR 15.5 million, down 64% on the previous year mainly due to a sharp deterioration in pulp profitability.

It is now anticipated that production may not resume at Enocell Pulp Mill before the end of year due to weakness in the pulp market. Board production continued to be curtailed as demand remained weak. Inventories were further reduced. The previously announced schedule for investment at Imatra in Finland has been changed. The investments in board machine (BM) 4 quality improvement will be implemented during the fourth quarter of 2009, but the capacity increase has been postponed. Consequently, BM 1 will produce board until the end of 2010.

Markets

Compared with Q1/2008

Deliveries of board were considerably lower but prices in euros were higher than a year ago.

Compared with Q4/2008

Deliveries of board decreased somewhat. Average prices were unchanged, as higher prices in euros for most products were offset by changes in the sales mix.

Industrial Packaging

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/09–Q4/08
Sales	197.2	242.5	275.5	-28.4	-18.7
EBITDA*	15.2	20.2	41.6	-63.5	-24.8
Operating profit*	3.5	6.2	27.6	-87.3	-43.5
% of sales	1.8	2.6	10.0	-82.0	-30.8
ROOC, **	2.4	3.6	15.4	-84.4	-33.3
Paper and board deliveries, 1 000 t	191	229	257	-25.7	-16.6
Paper and board production, 1 000 t	189	218	268	-29.5	-13.3
Corrugated packaging deliveries, million m ²	228	254	267	-14.6	-10.2
Corrugated packaging production, million m ²	226	252	265	-14.7	-10.3

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Industrial packaging sales were EUR 197.2 million, down 28% on the first quarter of 2008 mainly due to significantly lower volumes and unfavourable exchange rate trends, especially in Eastern Europe. Operating profit was EUR 3.5 million, down 87% on the first quarter of 2008 as production was curtailed to match demand and control inventories.

Markets

Compared with Q1/2008

Demand for industrial packaging products was clearly weaker than a year earlier due to the general economic downturn. Recycled containerboard prices declined as supply exceeded demand and raw material prices were lower. Corrugated packaging, coreboard and core prices were slightly lower, but SC fluting and laminating paper prices were higher.

Compared with Q4/2008

The economic slowdown and normal seasonal fluctuations reduced demand for corrugated packaging and other products. Prices decreased slightly for most industrial packaging products and increased for some laminating paper products.

Wood Products

EUR million	Q1/09	Q4/08	Q1/08	Change %	Change %
				Q1/09–Q1/08	Q1/09–Q4/08
Sales	272.0	348.7	378.6	-28.2	-22.0
EBITDA*	-14.3	-8.5	-10.7	-33.6	-68.2
Operating loss*	-23.7	-18.9	-23.4	-1.3	-25.4
% of sales	-8.7	-5.4	-6.2	-40.3	-61.1
ROOC, %**	-15.7	-11.1	-12.3	-27.6	-41.4
Deliveries, 1 000 m ³	1 113	1 422	1 467	-24.1	-21.7

* Excluding non-recurring items ** ROOC = 100% x Operating profit/Operating capital

Wood product sales were EUR 272.0 million, down 28% on the first quarter of 2008 mainly due to lower sales prices and volumes. The operating loss of EUR 23.7 million was almost the same as in the first quarter of 2008. Significantly lower raw material costs and EUR 6 million profit from the sale of property in the Netherlands compensated for lower sales prices and volumes. Severe production curtailments were continued, to adjust to the difficult markets.

Markets

Compared with Q1/2008

Demand and prices were even lower than in the weak market a year ago due to the rapid decline in building and construction activity.

Compared with Q4/2008

Demand for wood products weakened as the economic slowdown and seasonal factors further reduced construction activity globally. The wood products industry continued to curtail production, and prices remained under heavy pressure in all markets.

Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Annual Report for 2008, except for the effects of the adoption of the standards described below:

IFRS 8 Operating Segments

The Group's reportable segments remain unchanged from those reported in previous interim reports. The adoption of this standard has had no impact on the reported results or financial position of the Group.

IAS 1 (revised 2007) Presentation of Financial Statements

The revised standard has introduced a number of terminology changes and revised titles for the primary statements, however the adoption of this standard has had no impact on the reported results or financial position of the Group.

Discontinued Operations

The divestment of the Merchants segment in 2008 has been accounted for as a discontinued operation. The income statements have been re-presented to disclose the results from discontinued operations separately, but the Statement of Financial Position and Statement of Cash Flows are presented as previously reported.

Condensed Consolidated Income Statement

EUR million	Q1/09	Q4/08	Q1/08	2008	Change % Q1/09–Q1/08	Change % Q1/09–Q4/08
Continuing Operations						
Sales	2 130.5	2 602.5	2 831.8	11 028.8	-24.8	-18.1
Other operating income	51.8	51.4	46.5	120.2	11.4	0.8
Materials and services	-1 371.6	-1 730.3	-1 742.1	-6 905.0	21.3	20.7
Freight and sales commissions	-211.1	-266.0	-282.6	-1 127.1	25.3	20.6
Personnel expenses	-376.0	-402.2	-447.7	-1 669.1	16.0	6.5
Other operating expenses	-114.2	-222.1	-130.1	-752.6	12.2	48.6
Share of results of associated companies	18.9	-37.4	23.9	0.6	-20.9	150.5
Depreciation and impairment	-129.2	-780.1	-174.7	-1 422.4	26.0	83.4
Operating Loss/Profit	-0.9	-784.2	125.0	-726.6	-100.7	99.9
Net financial items	-47.2	-61.4	-41.9	-167.2	-12.6	23.1
Loss/Profit before tax	-48.1	-845.6	83.1	-893.8	-157.9	94.3
Income tax	12.0	191.0	-17.0	214.8	170.6	-93.7
Net Loss/Profit for the Period from Continuing Operations	-36.1	-654.6	66.1	-679.0	-154.6	94.5
Discontinued Operations						
Profit after tax for the period from discontinued operations	0.0	0.1	5.1	4.3	-100.0	-100.0
Net Loss/Profit for the Period	-36.1	-654.5	71.2	-674.7	-150.7	94.5
Attributable to:						
Owners of the Parent	-38.2	-648.5	70.5	-673.4	-154.2	94.1
Non-controlling interests	2.1	-6.0	0.7	-1.3	200.0	135.0
Net Loss/Profit for the Period	-36.1	-654.5	71.2	-674.7	-150.7	94.5
Earnings per Share						
Basic earnings per share, EUR	-0.05	-0.82	0.09	-0.85	-155.56	93.9
Diluted earnings per share, EUR	-0.05	-0.82	0.09	-0.85	-155.56	93.9
Earnings per Share from Continuing Operations						
Basic earnings per share, EUR	-0.05	-0.82	0.08	-0.86	-162.50	93.9
Diluted earnings per share, EUR	-0.05	-0.82	0.08	-0.86	-162.50	93.9

Consolidated Statement of Comprehensive Income

EUR million	Q1/09	Q4/08	Q1/08	2008
Total Operations				
Defined benefit plan actuarial gains	-	-12.6	-	-12.7
Tax on actuarial movements	-	-3.5	-	-3.3
Aggregate fair value movements in Available-for-Sale assets	-183.4	-405.9	-129.0	-398.0
Currency and commodity hedges	2.2	-237.7	-0.5	-312.3
Associate hedges	-12.7	-10.9	-0.3	-9.4
Tax on Other Comprehensive Income Movements (OCI)	-2.8	67.2	22.2	93.3
Currency translation movements on equity net investments (CTA)	19.8	-185.4	-82.8	-296.0
Equity net investment hedges	4.5	-60.4	20.5	1.3
Tax on equity hedges	-1.2	-4.1	-5.3	-1.1
Items from Equity Recognised in Income Statement	-	-16.7	-	-32.4
Other Comprehensive Income, net of tax	-173.6	-870.0	-175.2	-970.6
Net loss/profit for the period	-36.1	-654.5	71.2	-674.7
Total Comprehensive Income	-209.7	-1 524.5	-104.0	-1 645.3
Total Comprehensive Income Attributable to:				
Owners of the Parent	-211.8	-1 518.5	-104.7	-1 644.0
Non-controlling interests	2.1	-6.0	0.7	-1.3
	-209.7	-1 524.5	-104.0	-1 645.3

Condensed Consolidated Statement of Cash Flows

EUR million	Q1/09	Q1/08
Cash Flow from Operating Activities		
Operating loss/profit	-0.9	134.8
Hedging result from OCI	17.6	-20.7
Adjustments for non-cash items	100.9	211.1
Change in net working capital	165.4	-310.3
Cash Flow Generated by Operations	283.0	14.9
Net financials items paid	4.9	-44.9
Income taxes paid/received, net	-1.7	-45.6
Net Cash Provided/Used by Operating Activities	286.2	-75.6
Cash Flow from Investing Activities		
Acquisitions of subsidiaries	-	-2.8
Acquisitions of associated companies	-	-8.7
Proceeds from sale of fixed assets and other shares	50.5	19.2
Capital expenditure	-104.2	-135.7
Proceeds from (payment of) the non-current receivables, net	-29.9	-0.6
Net Cash Used in Investing Activities	-83.6	-128.6
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	33.7	28.6
Long-term debt, payments	-35.5	-244.1
Change in short-term borrowings	-75.3	-212.6
Minority equity injections less dividends	-1.8	-1.5
Net Cash Used in Financing Activities	-78.9	-429.6
Net Increase/Decrease in Cash and Cash Equivalents	123.7	-633.8
Cash and bank in disposed companies	-	-0.1
Translation adjustment	-7.8	-6.9
Net cash and cash equivalents at the beginning of period	372.6	879.3
Net Cash and Cash Equivalents at Period End	488.5	238.5
Cash and Cash Equivalents at Period End	493.0	308.2
Bank Overdrafts at Period End	-4.5	-69.7
Net Cash and Cash Equivalents at Period End	488.5	238.5
Acquisitions of Subsidiary Companies		
Fixed assets	-	4.2
Tax liabilities	-	0.2
Interest-bearing liabilities	-	-0.5
Minority interests	-	-1.1
Fair Value of Net Assets	0.0	2.8
Goodwill	-	-
Total Purchase Consideration	0.0	2.8
Disposal of Subsidiary Companies		
Cash and cash equivalents	-	0.1
Working capital	-	0.3
Tax liabilities	-	-0.4
Net Assets in Divested Companies	0.0	0.0
Income Statement capital gain	-	0.6
Total Disposal Consideration Received in Cash and Kind	0.0	0.6

Property, Plant and Equipment, Intangible Assets and Goodwill

EUR million	Q1/09	2008	Q1/08
Carrying value at 1 January	5 899.4	7 232.4	7 232.4
Acquisition of subsidiary companies	0.0	3.9	4.2
Capital expenditure	92.4	648.2	126.0
Additions in biological assets	11.8	58.7	9.7
Change in emission rights	37.4	61.8	80.5
Disposals	-19.3	-54.7	-13.0
Disposals of subsidiary companies	0.0	-281.8	0.0
Discontinued operations	-	-	-291.7
Depreciation and impairment, continuing operations	-129.2	-1 422.4	-174.7
Depreciation and impairment, discontinued operations	-	-46.1	-17.2
Translation difference and other	-21.3	-300.6	0.7
Balance Sheet Total	5 871.2	5 899.4	6 956.9

Borrowings

EUR million	31 Mar 09	31 Dec 08	31 Mar 08
Non-current borrowings	2 935.5	3 007.8	3 177.7
Current borrowings	1 103.0	1 068.3	710.9
Total Borrowings	4 038.5	4 076.1	3 888.6
	Q1/09	2008	Q1/08
Carrying value at 1 January	4 076.1	4 441.4	4 441.4
Debt acquired with new subsidiaries	-	1.0	0.5
Debt disposed with sold subsidiaries	-	-230.4	-
Payments of borrowings (net)	-18.5	-59.7	-102.6
Discontinued operations	-	-	-438.9
Translation difference and other	-19.1	-76.2	-11.8
Total Borrowings	4 038.5	4 076.1	3 888.6

Condensed Consolidated Statement of Financial Position

EUR million		31 Mar 09	31 Dec 08	31 Mar 08
Assets				
Fixed Assets and Other Non-current Investments				
Fixed assets	O	5 615.9	5 698.8	6 782.8
Biological assets	O	150.9	133.6	88.3
Emission rights	O	104.4	67.0	85.8
Investment in associated companies	O	1 063.5	1 042.5	1 141.4
Available-for-sale: Listed securities	I	159.8	154.9	134.2
Available-for-sale: Unlisted shares	O	777.6	954.3	1 130.1
Non-current loan receivables	I	159.6	130.3	127.5
Deferred tax assets	T	114.4	74.5	53.9
Other non-current assets	O	18.8	16.2	26.5
		8 164.9	8 272.1	9 570.5
Current Assets				
Inventories	O	1 667.8	1 693.6	1 927.3
Tax receivables	T	28.5	25.0	33.4
Operative receivables	O	1 424.3	1 583.2	1 860.7
Interest-bearing receivables	I	273.5	251.1	140.7
Cash and cash equivalents	I	493.0	415.8	205.7
		3 887.1	3 968.7	4 167.8
Asset of disposal group classified as held for sale		-	-	1 052.3
		3 887.1	3 968.7	5 220.1
Total Assets		12 052.0	12 240.8	14 790.6
Equity and Liabilities				
Owners of the Parent		5 382.3	5 594.0	7 134.1
Non-controlling interests		57.3	56.5	69.2
Total Equity		5 439.6	5 650.5	7 203.3
Non-current Liabilities				
Post-employment benefit provisions	O	304.6	299.0	304.2
Other provisions	O	194.1	202.3	115.7
Deferred tax liabilities	T	284.7	277.5	545.1
Long-term debt	I	2 935.5	3 007.8	3 177.7
Other non-current operative liabilities	O	11.2	28.5	103.0
		3 730.1	3 815.1	4 245.7
Current Liabilities				
Current portion of long-term debt	I	563.8	437.4	366.1
Interest-bearing liabilities	I	539.2	630.9	344.8
Operative liabilities	O	1 656.7	1 602.1	1 665.1
Tax liabilities	T	122.6	104.8	106.4
		2 882.3	2 775.2	2 482.4
Liability directly associated with the assets classified as held for sale		-	-	859.2
		2 882.3	2 775.2	3 341.6
Total Liabilities		6 612.4	6 590.3	7 587.3
Total Equity and Liabilities		12 052.0	12 240.8	14 790.6

Items designated with "O" comprise Operating Capital

Items designated with "I" comprise Interest-bearing Net Liabilities

Items designated with "T" comprise Net Tax Liabilities

Statement of Changes in Equity

EUR million	Share Capital	Capital Reserves	Treasury Shares	OCI	CTA	Retained Earnings	Total
Balance at 31 December 2007	1 342.2	2 276.4	-10.2	960.4	-115.6	3 140.4	7 593.6
Dividend (EUR 0.45 per share)	-	-	-	-	-	-354.9	-354.9
Net profit for the period	-	-	-	-	-	70.5	70.5
Net expense recognised directly to equity	-	-	-	-134.1	-41.0	-	-175.1
Balance at 31 March 2008	1 342.2	2 276.4	-10.2	826.3	-156.6	2 856.0	7 134.1
Buy-out of non-controlling interests	-	-	-	-	-	-0.7	-0.7
Net loss for the period	-	-	-	-	-32.4	-743.9	-776.3
Net expense recognised directly to equity	-	-	-	-492.3	-254.8	-16.0	-763.1
Balance at 31 December 2008	1 342.2	2 276.4	-10.2	334.0	-443.8	2 095.4	5 594.0
Net loss for the period	-	-	-	-	-	-38.2	-38.2
Net expense recognised directly to equity	-	-	-	-196.6	23.1	-	-173.5
Balance at 31 March 2009	1 342.2	2 276.4	-10.2	137.4	-420.7	2 057.2	5 382.3

CTA = Cumulative Translation Adjustment

OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	31 Mar 09	31 Dec 08	31 Mar 08
On Own Behalf			
Pledges given	0.8	0.8	0.8
Mortgages	74.8	62.0	136.1
On Behalf of Associated Companies			
Guarantees	192.3	180.5	225.7
On Behalf of Others			
Guarantees	158.3	156.3	140.3
Other Commitments, Own			
Leasing commitments, in next 12 months	26.8	28.9	30.3
Leasing commitments, after next 12 months	89.8	95.0	110.0
Pension liabilities	0.2	0.2	0.2
Other commitments	43.2	40.4	20.8
Total	586.2	564.1	664.2
Pledges given	0.8	0.8	0.8
Mortgages	74.8	62.0	136.1
Guarantees	350.6	336.8	366.0
Operating leases	116.6	123.9	140.3
Pension liabilities	0.2	0.2	0.2
Other commitments	43.2	40.4	20.8
Total	586.2	564.1	664.2

Purchase Agreement Commitments

EUR million	Scheduled Contract Payments				
Type of Supply	Contract Total	Q2-Q4/09	2010-11	2012-13	2014+
Fibre	1 593.4	182.8	359.3	339.2	712.1
Energy	1 581.7	306.2	573.5	276.9	425.1
Logistics	513.7	47.0	120.8	100.5	245.4
Other production costs	717.8	105.4	120.4	68.0	424.0
	4 406.6	641.4	1 174.0	784.6	1 806.6
Capital Expenditure	197.2	126.0	71.2	-	-
Total Contractual Commitments at 31 March 2009	4 603.8	767.4	1 245.2	784.6	1 806.6

Fair Values of Derivative Financial Instruments

EUR million	31 Mar 09			31 Dec 08	31 Mar 08
	Positive Fair Values	Negative Fair Values	Net Fair Values	31 Dec 08	31 Mar 08
				Net Fair Values	Net Fair Values
Interest rate swaps	311.1	-52.5	258.6	227.2	125.6
Interest rate options	0.0	-34.0	-34.0	-38.0	-15.3
Forward contracts	58.7	-126.7	-68.0	-73.9	-36.5
Currency options	44.0	-44.6	-0.6	-14.6	34.4
Commodity contracts	23.8	-134.7	-110.9	-90.7	53.6
Equity swaps ("TRS") & equity options	-	-85.3	-85.3	-57.4	-85.2
Total	437.6	-477.8	-40.2	-47.4	76.6

Nominal Values of Derivative Financial Instruments

EUR million	31 Mar 09	31 Dec 08	31 Mar 08
Interest Rate Derivatives			
Interest rate swaps			
Maturity under 1 year	768.2	592.8	76.5
Maturity 2–5 years	1 594.9	1 683.4	2 081.1
Maturity 6–10 years	2 379.1	2 341.6	2 326.2
	4 742.2	4 617.8	4 483.8
Interest rate options	408.8	394.3	339.6
Total	5 151.0	5 012.1	4 823.4
Foreign Exchange Derivatives			
Forward contracts	3 078.7	3 049.4	2 135.3
Currency options	1 998.3	1 438.9	2 147.1
Total	5 077.0	4 488.3	4 282.4
Commodity Derivatives			
Commodity contracts	537.2	604.6	381.1
Total	537.2	604.6	381.1
Total Return (Equity) Swaps			
Equity swaps ("TRS")	133.4	158.2	217.2
Equity options	22.0	22.0	21.9
Total	155.4	180.2	239.1

Sales by Segment

EUR million	Q1/09	2008	Q4/08	Q3/08	Q2/08	Q1/08
Newsprint and Book Paper	308.7	1 594.7	414.0	405.2	389.0	386.5
Magazine Paper	380.8	2 177.0	544.3	544.9	540.5	547.3
Fine Paper	431.9	2 111.7	484.8	543.9	537.8	545.2
Consumer Board	459.9	2 231.9	506.3	563.9	587.3	574.4
Industrial Packaging	197.2	1 076.5	242.5	273.1	285.4	275.5
Wood Products	272.0	1 503.3	348.7	366.2	409.8	378.6
Other	682.5	3 997.0	893.9	963.2	1 049.8	1 090.1
Inter-segment sales	-602.5	-3 663.3	-832.0	-937.7	-927.8	-965.8
Continuing Operations	2 130.5	11 028.8	2 602.5	2 722.7	2 871.8	2 831.8
Discontinued operations	-	708.7	-1.8	0.4	180.5	529.6
Inter-segment sales	-	- 179.3	0.9	-	- 45.8	- 134.4
Total	2 130.5	11 558.2	2 601.6	2 723.1	3 006.5	3 227.0

Operating Profit by Segment excluding NRI and Fair Valuations

EUR million	Q1/09	2008	Q4/08	Q3/08	Q2/08	Q1/08
Newsprint and Book Paper	21.5	140.8	53.0	33.5	27.9	26.4
Magazine Paper	-0.1	88.8	19.7	27.4	14.5	27.2
Fine Paper	-5.7	80.4	-9.7	33.1	19.7	37.3
Consumer Board	15.5	107.3	4.3	37.5	23.0	42.5
Industrial Packaging	3.5	73.9	6.2	20.0	20.1	27.6
Wood Products	-23.7	-67.5	-18.9	-14.3	-10.9	-23.4
Other	-21.3	-77.4	-48.2	-7.8	-8.2	-13.2
Operating Loss/Profit excl. NRI by Segment	-10.3	346.3	6.4	129.4	86.1	124.4
Share of results of associated companies excl. fair valuations	13.3	42.1	22.0	-3.9	8.3	15.7
Operating Profit excl. NRI and Fair Valuations*	3.0	388.4	28.4	125.5	94.4	140.1
Fair valuations*	-37.9	-69.6	-47.9	15.2	-21.8	-15.1
Operating Loss/Profit excl. NRI	-34.9	318.8	-19.5	140.7	72.6	125.0
NRI	34.0	-1 045.4	-764.7	-279.4	-1.3	-
Operating Loss/Profit (IFRS)	-0.9	-726.6	-784.2	-138.7	71.3	125.0
Net financial items	-47.2	-167.2	-61.4	-23.0	-40.9	-41.9
Loss/Profit before Tax and Non-Controlling Interests	-48.1	-893.8	-845.6	-161.7	30.4	83.1
Income tax expense	12.0	214.8	191.0	42.6	-1.8	-17.0
Net Loss/Profit from Continuing Operations	-36.1	-679.0	-654.6	-119.1	28.6	66.1
Discontinued Operations						
Net profit/loss after tax for the period from discontinued operations	-	4.3	0.1	0.9	-1.8	5.1
Net Loss/Profit	-36.1	-674.7	-654.5	-118.2	26.8	71.2

* Fair valuations include synthetic options net of realised and open hedges, CO₂ emission rights, and valuations of biological assets mainly related to associated companies' forest assets.

NRI by Segment

EUR million	Q1/09	2008	Q4/08	Q3/08	Q2/08	Q1/08
Newsprint and Book Paper	29.0	-15.2	-5.0	-7.8	-2.4	-
Magazine Paper	-	-60.4	-19.1	-38.7	-2.6	-
Fine Paper	-	-394.2	-399.7	-1.5	7.0	-
Consumer Board	-	-301.4	-118.9	-178.2	-4.3	-
Industrial Packaging	-	-64.6	-45.4	-18.2	-1.0	-
Wood Products	-	-88.0	-80.0	-8.0	-	-
Other	5.0	-121.6	-96.6	-27.0	2.0	-
Continuing Operations	34.0	-1 045.4	-764.7	-279.4	-1.3	-
Discontinued operations	-	-4.5	-	-	-4.5	-
Total	34.0	-1 049.9	-764.7	-279.4	-5.8	-

Operating Profit by Segment

EUR million	Q1/09	2008	Q4/08	Q3/08	Q2/08	Q1/08
Newsprint and Book Paper	50.5	125.6	48.0	25.7	25.5	26.4
Magazine Paper	-0.1	28.4	0.6	-11.3	11.9	27.2
Fine Paper	-5.7	-313.8	-409.4	31.6	26.7	37.3
Consumer Board	15.5	-194.1	-114.6	-140.7	18.7	42.5
Industrial Packaging	3.5	9.3	-39.2	1.8	19.1	27.6
Wood Products	-23.7	-155.5	-98.9	-22.3	-10.9	-23.4
Other	-60.3	-227.2	-133.5	-25.1	-32.1	-36.5
Share of result of associated companies*	19.4	0.7	-37.2	1.6	12.4	23.9
Operating Loss/Profit (IFRS)	-0.9	-726.6	-784.2	-138.7	71.3	125.0
Net financial items	-47.2	-167.2	-61.4	-23.0	-40.9	-41.9
Loss/Profit before Tax and Non-Controlling Interests	-48.1	-893.8	-845.6	-161.7	30.4	83.1
Income tax expense	12.0	214.8	191.0	42.6	-1.8	-17.0
Net Loss/Profit from Continuing Operations	-36.1	-679.0	-654.6	-119.1	28.6	66.1
Discontinued Operations						
Net loss/profit after tax for the period from discontinued operations	-	4.3	0.1	0.9	-1.8	5.1
Net Loss/Profit	-36.1	-674.7	-654.5	-118.2	26.8	71.2

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	31 Mar 09	31 Dec 08	31 Mar 09	31 Dec 08
SEK	10.9400	10.8700	10.9480	9.6280
USD	1.3308	1.3917	1.3056	1.4710
GBP	0.9308	0.9525	0.9088	0.7972

Transaction Risk and Hedges in Main Currencies as at 31 March 2009

EUR million	USD	GBP	SEK	JPY
Estimated annual net operating cash flow exposure	550	500	-1 000	120
Transaction hedges as at 31 March 2009	375	300	-675	85
Hedging percentage as at 31 March 2009 for the next 12 months	68%	60%	68%	71%

Changes in Exchange Rates on Operating Profit

Operating Profit: Currency effect +/- 10%	EUR million
USD	55
SEK	100
GBP	50

The sensitivity is based on expected 2009 net operating cash flow. The calculation does not take into account currency hedges, and assumes no changes occur other than a single currency exchange rate movement.

Stora Enso Shares

Trading volume	Helsinki		Stockholm	
	A share	R share	A share	R share
January	224 839	91 108 286	100 599	11 241 964
February	219 760	99 921 199	252 465	12 848 855
March	337 566	167 041 706	291 748	24 172 732
Total	782 165	358 071 191	644 812	48 263 551

Closing price	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
January	4.83	4.78	51.75	50.50
February	3.36	3.31	37.40	37.60
March	3.31	2.67	35.80	29.60

Calculation of Key Figures

Return on capital employed, ROCE (%)	$100 \times \frac{\text{Operating profit}}{\text{Capital employed}^{1,2)}$
Return on operating capital, ROOC (%)	$100 \times \frac{\text{Operating profit}}{\text{Operating capital}^{1,2)}$
Return on equity, ROE (%)	$100 \times \frac{\text{Profit before tax and non-controlling items} - \text{taxes}}{\text{Total Equity}^2}$
Equity ratio (%)	$100 \times \frac{\text{Total Equity}}{\text{Total assets}}$
Interest-bearing net liabilities	Interest-bearing liabilities – interest-bearing assets
Debt/Equity ratio	$\frac{\text{Interest-bearing net liabilities}}{\text{Equity}}$

1) Capital employed = Operating capital – Net tax liabilities

2) Average for the financial period

Concept and design:	Philips Design
Photography:	Stora Enso image archive
Printing:	Speedmaster Oy
Cover stock:	Chromocard 200 g/m ²
Text stock:	TerraPrint Silk 100 g /m ²

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.

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Publication dates for financial information

23 July	Interim review January – June
22 October	Interim review January – September



challenge: how to create new employment and find a use for the site of a closed paper mill?

solution: sell it to a search engine giant for a server farm.

Mills are being closed down as the paper industry undergoes major restructuring, especially in mature markets. When Stora Enso has to close a mill, it tries to find new uses for the site that will create employment without competing with the Group.

Paper production at Stora Enso's Summa Mill in Finland ceased in January 2008. In early 2009 Stora Enso sold the paper mill premises to Google to house a new server farm, and made some of the site available for other industrial uses. This also enables a wind power company to build a factory to manufacture wind turbines and a wind-park close to the site.

That is what Stora Enso strives to achieve: to secure new long-term employment opportunities for its former employees, best of all in growth industries such as search engines and renewable energy. In this way, the closure of an uncompetitive mill can be a benefit for the Group and also its former personnel and the community around the mill.

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