

STORA ENSO OYJ

PARENT COMPANY INCOME STATEMENT

1.1.-31.12.2010

1.1.-31.12.2009

| | | | |
|---|------|--------------------------|--------------------------|
| SALES | 2a | 3 259 545 853.05 | 2 681 624 281.53 |
| Changes in inventories of finished goods and work in progress + / - | | 60 997 093.00 | -51 986 515.80 |
| Production for own use | | -59 667.48 | 466 864.36 |
| Other operating income | 2b | 166 520 399.99 | 162 679 453.74 |
| Materials and services | 3 | -2 258 062 333.74 | -1 898 192 514.19 |
| Personnel expenses | 4 | -317 407 270.96 | -297 227 425.78 |
| Depreciation and impairment | 5 | 17 607 735.95 | -543 849 115.70 |
| Other operating expenses | 6, 7 | -647 982 319.48 | -565 496 454.60 |
| | | -2 978 386 362.72 | -3 193 605 707.97 |
| OPERATING PROFIT (LOSS) | | 281 159 490.33 | -511 981 426.44 |
| Financial income and expenses | 8 | 670 692 914.15 | -634 969 791.89 |
| PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS | | 951 852 404.48 | -1 146 951 218.33 |
| Extraordinary income | 9 | 2 200 867.00 | 5 796 244.31 |
| Extraordinary expenses | | 0.00 | -70 438 428.97 |
| PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES | | 954 053 271.48 | -1 211 593 402.99 |
| Appropriations | 10 | -136 459 677.00 | 368 206 803.55 |
| Direct taxes | 11 | -153 404.40 | 2 894 282.79 |
| NET PROFIT (LOSS) FOR THE PERIOD | | 817 440 190.08 | -840 492 316.65 |

Figures for the 2009 financial year include subsidiaries Stora Enso Saimaa Services Oy, Varenso Oy, Pankavara Oy, Stora Enso Sales Finland Oy, Stora Enso Pulp and Paper Asia Oy, and Kombivoima Oy from 31 August 2009 onwards, and subsidiary Sunila Oy from 30 November 2009 onwards, when they were respectively merged into the Parent Company.

STORA ENSO OYJ

PARENT COMPANY BALANCE SHEET

| Assets | | 31.12.2010 | 31.12.2009 |
|---|------------|--------------------------|--------------------------|
| NON-CURRENT ASSETS | | | |
| Intangible assets | 13 | 24 008 425.65 | 44 339 390.65 |
| Tangible assets | 14, 20 | 975 433 349.00 | 906 050 732.29 |
| Investments | 15 | | |
| Shares in Group companies | | 8 911 720 790.36 | 8 602 913 470.39 |
| Other investments | | 658 309 239.30 | 697 148 869.17 |
| TOTAL NON-CURRENT ASSETS | | 10 569 471 804.31 | 10 250 452 462.50 |
| CURRENT ASSETS | | | |
| Inventories | 17 | 512 222 787.86 | 414 844 215.66 |
| Long-term receivables | 18 | 279 425.24 | 943 724.38 |
| Short-term receivables | 19 | 740 687 697.37 | 1 093 817 220.93 |
| Investments | 19 | 1 120 574 146.59 | 595 528 355.88 |
| Cash in hand and at bank | | 89 508 887.48 | 127 922 457.52 |
| TOTAL CURRENT ASSETS | | 2 463 272 944.54 | 2 233 055 974.37 |
| | | 13 032 744 748.85 | 12 483 508 436.87 |
| Shareholders' Equity and Liabilities | | | |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 21 | | |
| Share premium fund | 22 | 1 342 215 448.30 | 1 342 215 448.30 |
| Invested unrestricted equity fund | | 3 638 800 031.65 | 3 638 800 031.65 |
| Retained earnings (loss) | | 633 102,719.13 | 2 042 092 300.20 |
| Profit (loss) for the period | | -127 388.66 | -410 773 267.02 |
| | | 817 440 190.08 | -840 492 316.65 |
| TOTAL SHAREHOLDERS' EQUITY | | 6 431 431 000.50 | 5 771 842 196.48 |
| APPROPRIATIONS | 23 | 387 098 607.80 | 250 638 930.80 |
| PROVISIONS | 24 | 94 538 357.81 | 55 083 882.60 |
| LIABILITIES | | | |
| Long-term liabilities | 29 | 3 210 905 053.99 | 2 789 785 873.78 |
| Current liabilities | 26, 27, 29 | 2 908 771 728.75 | 3 616 157 553.21 |
| TOTAL LIABILITIES | | 6 119 676 782.74 | 6 405 943 426.99 |
| | | 13 032 744 748.85 | 12 483 508 436.87 |

Figures for the 2009 financial year include subsidiaries Stora Enso Saimaa Services Oy, Varenso Oy, Pankavara Oy, Stora Enso Sales Finland Oy, Stora Enso Pulp and Paper Asia Oy, and Kombivoima Oy from 31 August 2009 onwards, and subsidiary Sunila Oy from 30 November 2009 onwards, when they were respectively merged into the Parent Company.

STORA ENSO OYJ

PARENT COMPANY CASH FLOW STATEMENT

| | 1.1.-31.12.2010 | 1.1.-31.12.2009 |
|--|-------------------------|-------------------------|
| Cash Flow from Operating Activities: | | |
| Net profit/loss for the period | 817 440 190.08 | -840 492 316.65 |
| Adjustments and reversal of non-cash items: | | |
| Direct taxes | 153 404.40 | -2 894 282.79 |
| Appropriations | 136 459 677.00 | -368 206 803.55 |
| Extraordinary items | -2 200 867.00 | 64 642 184.66 |
| Depreciation and impairment | -17 607 735.95 | 543 849 115.70 |
| Gains/losses on sale of fixed assets | 29 530 510.76 | -8 875 295.80 |
| Net financial income | -667 761 144.33 | 634 969 791.89 |
| Change in working capital: | | |
| Current non-interest-bearing receivables increase(-)/decrease(+) | -62 024 554.61 | 103 246 263.54 |
| Inventories increase(-)/decrease(+) | -97 329 570.38 | 168 965 694.11 |
| Current non-interest-bearing liabilities increase(+)/decrease(-) | 121 037 904.29 | 67 866 561.48 |
| Cash flow from operating activities before financial items and taxes | 257 697 814.26 | 363 070 912.59 |
| Interest received from operating activities | 37 624 877.12 | 47 765 684.85 |
| Interest paid and other financial expenses | -139 423 961.71 | -128 666 064.23 |
| Dividends received | 531 262 212.92 | 18 981 370.97 |
| Other financial items, net | -73 446 124.70 | -41 345 058.34 |
| Direct taxes paid | -239 776.47 | 2 894 282.79 |
| Cash flow before extraordinary items | 613 475 041.42 | 262 701 128.63 |
| Net Cash Provided by Operating Activities (A) | 613 475 041.42 | 262 701 128.63 |
| Cash Flow from Investing Activities: | | |
| Acquisition of subsidiary shares | -29 741 621.00 | -118 650 678.22 |
| Acquisition of shares in other companies | -11 743 778.37 | -5 551 884.00 |
| Capital expenditure | -82 821 118.28 | -122 810 857.61 |
| Proceeds from disposal of subsidiary shares | 3 186 752.87 | 32 044 505.53 |
| Proceeds from disposal of shares in equity accounted investments | 187 543.45 | 15 020.31 |
| Proceeds from disposal of shares in other companies | 832 718.98 | 1 435 264.27 |
| Proceeds from sale of fixed assets | 53 660 661.27 | 53 777 322.51 |
| Proceeds from (payments of) long-term receivables, net | 71 920 775.52 | 216 337 715.64 |
| Net Cash Provided by Investing Activities (B) | 5 481 934.44 | 56 596 408.43 |
| Cash Flow from Financing Activities: | | |
| Proceeds from (payments of) long-term liabilities, net | -408 429 775.96 | 453 328 222.76 |
| Proceeds from (payments of) short-term borrowings, net | 0.00 | -175 337.56 |
| Dividends/distributions paid | -157 723 997.40 | -157 723 959.00 |
| Net Cash Provided by Financing Activities (C) | -566 153 773.36 | 295 428 926.20 |
| Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C) | 52 803 202.50 | 614 726 463.26 |
| Translation adjustment | 3 696 316.40 | 5 494 350.99 |
| Cash in merged companies | 0.00 | 15 283 744.26 |
| Cash and cash equivalents at start of year | 1 145 579 438.60 | 510 074 880.09 |
| Cash and Cash Equivalents at Year End | 1 202 078 957.50 | 1 145 579 438.60 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the Income Statement

2010

2009

Note 1. Accounting principles

The Parent Company Financial Statements are prepared according to Generally Accepted Accounting Principles in Finland. The main accounting principles are described in the notes to the Group Consolidated Financial Statements (Note 1).

The main differences between the accounting principles of the Group and Stora Enso Oyj are:

- The valuation of financial assets and liabilities
- The valuation of derivative financial instruments and the principles for recognising gains and losses on them
- The valuation of investments in securities
- The recognition principles and presentation of deferred taxes

Note 2a. Sales by business

2010

2009

| | | |
|-------------------------------------|-------------------------|-------------------------|
| Magazine Paper | 233 602 573.00 | 183 210 800.00 |
| Fine Paper | 1 373 265 048.00 | 1 189 621 900.00 |
| Packaging Boards | 949 553 468.00 | 822 204 700.00 |
| Forest | 1 216 537 909.00 | 957 835 800.00 |
| Other operations and internal sales | -513 413 144.95 | -471 248 918.47 |
| | <u>3 259 545 853.05</u> | <u>2 681 624 281.53</u> |

Note 2b. Other operating income

| | | |
|--|-----------------------|-----------------------|
| Rent and equivalents | 6 946 220.25 | 9 423 727.19 |
| Gains on sale of fixed assets | 4 741 023.99 | 14 950 823.68 |
| Insurance compensation | 308 464.26 | 3 644.44 |
| Production and maintenance services | 12 519 977.75 | 12 526 118.22 |
| Subsidies, grants and equivalents | 5 821 775.40 | 2 819 780.44 |
| Administration services | 103 183 334.47 | 83 568 152.25 |
| Proceeds from sales of emission rights | 20 492 659.19 | 30 992 802.31 |
| Other operating income | 12 506 944.68 | 8 394 405.21 |
| | <u>166 520 399.99</u> | <u>162 679 453.74</u> |

Note 3. Materials and services

| | | |
|------------------------------|-------------------------|-------------------------|
| Materials and supplies | | |
| Purchases during the period | 1 782 557 540.02 | 1 385 393 509.86 |
| Change in inventories + / - | -18 541 940.34 | 100 125 398.03 |
| | <u>1 764 015 599.68</u> | <u>1 485 518 907.89</u> |
| External services | 494 046 734.06 | 412 673 606.30 |
| Total materials and services | <u>2 258 062 333.74</u> | <u>1 898 192 514.19</u> |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| | | |
|--------------------------------------|------|------|
| Notes to the Income Statement | 2010 | 2009 |
|--------------------------------------|------|------|

Note 4. Personnel costs and average number of employees

| | | |
|--------------------------|----------------|----------------|
| Wages and salaries | 249 008 536.82 | 224 374 480.96 |
| Statutory employer costs | | |
| Pensions | 55 205 264.40 | 55 713 136.91 |
| Other personnel costs | 13 193 469.74 | 17 139 807.91 |
| Total personnel costs | 317 407 270.96 | 297 227 425.78 |

Remuneration of members of the Board of Directors and CEO

| | | |
|-------------------|------------|------------|
| Salaries and fees | 914 900.00 | 600 825.00 |
|-------------------|------------|------------|

Pension liabilities for CEO

Retirement age of CEO has been agreed as 60.

Average number of employees

employed by the Company in the period

| | | |
|----------------------|-------|-------|
| White-collar workers | 1 895 | 1 965 |
| Blue-collar workers | 2 829 | 2 745 |
| Total | 4 724 | 4 710 |

Note 5. Depreciation and impairment

| | | |
|--------------------------------|-----------------|----------------|
| Depreciation according to plan | 125 151 672.77 | 160 777 422.65 |
| Impairment of fixed assets | -142 759 408.72 | 383 071 693.05 |
| Total | -17 607 735.95 | 543 849 115.70 |

Depreciation on each balance sheet item is included under tangible assets.

Note 6. Other operating expenses

| | | |
|---|----------------|----------------|
| Product freight | 330 854 498.34 | 274 318 035.32 |
| Sales commissions | 34 564 531.95 | 37 549 957.39 |
| Rental costs | 22 559 110.91 | 15 976 183.25 |
| Administration and office services | 164 385 069.84 | 162 950 086.68 |
| Insurance premiums | 5 604 281.55 | 5 282 692.28 |
| Loss on sales of shares and equivalents | 34 267 601.79 | 4 807 661.16 |
| Loss on sales of plant and equipment | 3 932.96 | 0.00 |
| Change in environmental provisions | 2 750 061.90 | -676 264.02 |
| Other operating expenses | 52 993 230.24 | 65 288 102.54 |
| Total other operating expenses | 647 982 319.48 | 565 496 454.60 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the Income Statement

2010

2009

Note 7. Auditor's fees

| | | |
|-----------------|---------------------|---------------------|
| Audit fees | 978 381.00 | 867 398.00 |
| Taxation advice | 6 947.70 | 32 800.00 |
| Other fees | 540 000.00 | 853 772.25 |
| | <u>1 525 328.70</u> | <u>1 753 970.25</u> |

Note 8. Financial income and expenses

| | | |
|-----------------------------------|-----------------------|----------------------|
| Dividend income | | |
| From Group companies | 524 330 142.82 | 15 347 883.75 |
| From equity accounted investments | 6 657 573.15 | 3 378 638.02 |
| Other | 274 496.95 | 254 849.20 |
| Total | <u>531 262 212.92</u> | <u>18 981 370.97</u> |

| | | |
|--|----------------------|----------------------|
| Interest income from long-term investments | | |
| From Group companies | 7 974 315.35 | 24 808 487.07 |
| Other | 7 580 308.25 | 15 705 433.26 |
| Total | <u>15 554 623.60</u> | <u>40 513 920.33</u> |

| | | |
|-------------------------------------|----------------------|----------------------|
| Other interest and financial income | | |
| From Group companies | 5 238 594.94 | 5 781 738.99 |
| Other | 29 038 985.18 | 33 645 434.90 |
| Total | <u>34 277 580.12</u> | <u>39 427 173.89</u> |

| | | |
|-----------------------|---------------|---------------|
| Total interest income | 49 832 203.72 | 79 941 094.22 |
|-----------------------|---------------|---------------|

| | | |
|---|----------------|-----------------|
| Investment impairments | | |
| Impairment of long-term investments and reversals of impairment | 288 347 683.56 | -543 041 082.48 |

| | | |
|---------------------------------------|------------------------|------------------------|
| Interest and other financial expenses | | |
| Payable to Group companies | -13 981 042.16 | -21 193 832.58 |
| Other | -184 768 143.89 | -169 657 342.02 |
| Total | <u>-198 749 186.05</u> | <u>-190 851 174.60</u> |

| | | |
|---|---------------|-----------------|
| Total interest and other financial expenses | 89 598 497.51 | -733 892 257.08 |
|---|---------------|-----------------|

Total financial income and expenses

670 692 914.15

-634 969 791.89

Net currency gain (loss) included in interest and financial expenses

-2 703 497.13

3 820 322.90

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| Notes to the Income Statement | 2010 | 2009 |
|---|----------------------|-----------------------|
| Note 9. Extraordinary items | | |
| Extraordinary income | | |
| Group contributions received | 2 200 867.00 | 0.00 |
| Merger gain | 0.00 | 5 796 244.31 |
| | <u>2 200 867.00</u> | <u>5 796 244.31</u> |
| Extraordinary expenses | | |
| Merger loss | 0.00 | 40 438 428.97 |
| Other extraordinary expenses, cartel fine | 0.00 | 30 000 000.00 |
| | <u>0.00</u> | <u>70 438 428.97</u> |
| Total extraordinary items | 2 200 867.00 | -64 642 184.66 |
| Note 10. Appropriations | | |
| Difference between depreciation according to plan and depreciation recognised in taxation | 136 459 677.00 | -368 206 803.55 |
| Note 11. Income tax | | |
| Income tax on operations | 153 404.40 | -2 894 282.79 |
| Note 12. Environmental costs | | |
| Materials and services | 29 707 413.05 | 27 503 188.64 |
| Personnel costs | 2 077 105.47 | 1 972 295.75 |
| Depreciation and impairment charges | 9 695 845.79 | 11 334 851.65 |
| Total | 41 480 364.31 | 40 810 336.04 |
| Air quality protection | 8 268 523.48 | 8 601 861.23 |
| Waste water treatment | 26 174 744.57 | 24 813 258.43 |
| Waste management | 3 112 567.62 | 3 185 626.72 |
| Soil and groundwater protection | 136 382.15 | 131 785.00 |
| Noise and vibration prevention | 67 110.00 | 90 059.71 |
| Biodiversity and landscape protection | 455 960.73 | 292 369.05 |
| Research and development | 63 636.26 | 16 625.00 |
| Other environmental protection measures | 3 201 439.50 | 3 678 750.90 |
| Total | 41 480 364.31 | 40 810 336.04 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Non-current assets

Note 13. Intangible assets

| | Intangible rights | Other long-term expenditure | Goodwill | Total |
|--|-------------------|-----------------------------|-----------------|-----------------|
| Acquisition cost 1.1 | 153 086 604.72 | 5 803 224.24 | 108 979 814.19 | 267 869 643.15 |
| Additions | 1 333 110.19 | 724.00 | 0.00 | 1 333 834.19 |
| Disposals | -140 750.02 | -17 233.12 | 0.00 | -157 983.14 |
| Reclassification | 551 342.21 | 120 721.38 | 0.00 | 672 063.59 |
| Acquisition cost 31.12 | 154 830 307.10 | 5 907 436.50 | 108 979 814.19 | 269 717 557.79 |
| Accumulated depreciation and impairment 1.1 | -125 828 549.05 | -4 795 222.26 | -92 906 481.19 | -223 530 252.50 |
| Accumulated depreciation on disposals, reclassifications and mergers | 140 660.02 | 3 899.12 | 13 334.00 | 157 893.14 |
| Depreciation for period | -11 518 256.40 | -91 849.38 | -10 726 667.00 | -22 336 772.78 |
| Impairment | 0.00 | 0.00 | 0.00 | 0.00 |
| Accumulated depreciation 31.12 | -137 206 145.43 | -4 883 172.52 | -103 619 814.19 | -245 709 132.14 |
| Increase in value | 0.00 | 0.00 | 0.00 | 0.00 |
| Net book value 31.12.2010 | 17 624 161.67 | 1 024 263.98 | 5 360 000.00 | 24 008 425.65 |
| Net book value 31.12.2009 | 27 258 055.67 | 1 008 001.98 | 16 073 333.00 | 44 339 390.65 |

Note 14. Tangible assets

| | Land and water | Buildings and structures | Plant and equipment | Other tangible assets | Total |
|--|----------------|--------------------------|---------------------|-----------------------|-------------------|
| Acquisition cost 1.1 | 29 748 483.95 | 685 113 089.61 | 3 289 726 787.20 | 187 830 476.29 | 4 192 418 837.05 |
| Additions | 83 200.00 | 2 943 407.71 | 51 212 950.03 | 74 282.91 | 54 313 840.65 |
| Disposals | -493 850.06 | -26 035 038.25 | -395 222 599.76 | -1 293 788.84 | -423 045 276.91 |
| Reclassification | | 133 441.82 | 14 125 039.73 | 624 487.79 | 14 882 969.34 |
| Acquisition cost 31.12 | 29 337 833.89 | 662 154 900.89 | 2 959 842 177.20 | 187 235 458.15 | 3 838 570 370.13 |
| Accumulated depreciation and impairment 1.1 | -163 374.97 | -405 302 231.93 | -2 779 713 136.74 | -139 631 776.28 | -3 324 810 519.92 |
| Accumulated depreciation on disposals, reclassifications and mergers | 0.00 | 13 943 956.45 | 357 569 493.28 | 731 501.84 | 372 244 951.57 |
| Depreciation for period | 0.00 | -15 473 289.73 | -80 284 167.29 | -7 057 442.97 | -102 814 899.99 |
| Impairment | -127 388.66 | 2 200 000.00 | 138 900 000.00 | 0.00 | 140 972 611.34 |
| Impairment charges/reversals | | | | -606 983.73 | -606 983.73 |
| Accumulated depreciation 31.12 | -290 763.63 | -404 631 416.22 | -2 363 862 246.46 | -146 564 701.14 | -2 915 349 127.45 |
| Increase in value | 4 296 040.34 | 0.00 | 0.00 | 0.00 | 4 296 040.34 |
| Net book value 31.12.2010 | 33 633 874.23 | 257 523 484.67 | 595 979 930.74 | 40 670 757.01 | 927 808 046.65 |
| Net book value 31.12.2009 | 34 171 912.95 | 279 810 857.68 | 510 013 650.46 | 48 198 700.01 | 872 195 121.10 |

Production plant and equipment

Net book value 31.12.2010

562 490 240.74

Net book value 31.12.2009

506 964 834.46

Advance payments and acquisitions in progress

| | Intangible assets | Buildings and structures | Plant and equipment | Other tangible assets | Total |
|-------------------------|-------------------|--------------------------|---------------------|-----------------------|----------------|
| Acquisition cost 1.1 | 13 917 908.21 | -0.01 | 19 135 646.83 | 802 056.17 | 33 855 611.20 |
| Additions | 8 281 328.17 | 347 986.08 | 30 644 885.62 | 215 300.39 | 39 489 500.26 |
| Disposals | | -9 557 618.18 | | -607 158.00 | -10 164 776.18 |
| Depreciation for period | | | | | 0.00 |
| Reclassification | -671 973.59 | 9 557 618.18 | -24 342 026.73 | -98 650.79 | -15 555 032.93 |
| Acquisition cost 31.12 | 21 527 262.79 | 347 986.07 | 25 438 505.72 | 311 547.77 | 47 625 302.35 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Non-current assets

| Environmental protection | 2010 | 2009 |
|---------------------------------------|----------------------|----------------------|
| Tangible assets | | |
| Capitalised environmental expenditure | | |
| Acquisition cost 1.1 | 69 903 210.72 | 78 074 546.90 |
| Additions | 2 636 211.69 | 3 163 515.46 |
| Depreciation | 10 369 666.84 | 11 334 851.64 |
| Total | 62 169 755.57 | 69 903 210.72 |
| Air quality protection | 27 576 926.95 | 28 546 327.36 |
| Waste water treatment | 30 507 767.11 | 37 059 286.36 |
| Waste management | 2 557 349.00 | 2 754 412.00 |
| Soil and groundwater protection | 1 303 598.51 | 1 298 403.00 |
| Noise and vibration prevention | 224 114.00 | 244 782.00 |
| Total | 62 169 755.57 | 69 903 210.72 |

In 2010 and 2009 no environmentally based fines, charges or compensations were paid, and no subsidies or grants were received for environmental protection.

Note 15. Long-term investment in shares and loan receivables

| | 2010 | 2009 |
|------------------------------|-------------------------|-------------------------|
| Parent Company | | |
| Group companies | | |
| Shares | 8 911 720 790.36 | 8 602 913 470.39 |
| Loan receivables | <u>316 530 328.81</u> | <u>313 423 693.84</u> |
| Total | 9 228 251 119.17 | 8 916 337 164.23 |
| Equity accounted investments | | |
| Shares | 73 583 853.44 | 78 893 182.15 |
| Loan receivables | <u>28 413 490.00</u> | <u>36 350 000.00</u> |
| Total | 101 997 343.44 | 115 243 182.15 |
| Other | | |
| Shares, book value | 43 165 145.28 | 41 834 682.16 |
| Shares, appreciation | 115 027 521.16 | 115 027 521.16 |
| Other receivables | <u>81 588 900.61</u> | <u>111 619 789.92</u> |
| | 239 781 567.05 | 268 481 993.24 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Emission rights

On 1 January 2010 the Company received for free a total of 1.5 million tonnes of emission rights as defined under the EU Emissions Trading Directive and recognised them in accounting through a net cash cost basis, in other words by taking into account in the Income Statement the difference between the emissions emitted and the emission rights received if the tonnes of emissions emitted exceeded the emission rights already received. During the financial period, the emissions emitted were 1.4 million tonnes, so the emissions emitted did not have an effect on the Income Statement or the Balance Sheet.

At the end of the financial period, the market value of the emission rights was EUR 13.75 per tonne and the total value EUR 2.8 million.

Note 16. Receivables from Group Management

There were no receivables from Group Management.

| Current assets | 2010 | 2009 |
|----------------|------|------|
|----------------|------|------|

Note 17. Inventories

| | | |
|------------------------|----------------------|----------------------|
| Materials and supplies | 201 600 093.51 | 183 058 153.17 |
| Work in progress | 10 151 420.15 | 16 574 088.37 |
| Finished goods | 235 525 059.29 | 168 105 298.07 |
| Other inventories | 64 946 214.91 | 47 106 676.05 |
| | <hr/> 512 222 787.86 | <hr/> 414 844 215.66 |

Receivables

Note 18. Long-term receivables

| | | |
|-----------------------------|------------|------------|
| Other receivables | 279 425.24 | 943 724.38 |
| Total long-term receivables | 279 425.24 | 943 724.38 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| Note 19. Short-term receivables | 2010 | 2009 |
|--|-------------------------|-------------------------|
| Trade receivables | 333 810 886.31 | 276 595 476.99 |
| Receivables from Group companies | | |
| Trade receivables | 65 648 799.99 | 91 195 094.15 |
| Other receivables | 6 245 095.47 | 4 769 445.62 |
| Accrued income | <u>7 874 777.88</u> | <u>6 701 079.79</u> |
| Total | 79 768 673.34 | 102 665 619.56 |
| Receivables from equity accounted investments | | |
| Trade receivables | 2 841 367.63 | 2 209 203.45 |
| Other receivables | <u>76 105.05</u> | <u>84 093.50</u> |
| Total | 2 917 472.68 | 2 293 296.95 |
| Other receivables | 40 374 421.33 | 12 405 819.80 |
| Accrued income | 19 242 401.27 | 19 522 881.48 |
| Total short-term receivables | 476 113 854.93 | 413 483 094.78 |
| Short-term interest-bearing receivables | | |
| Receivables from Group companies | | |
| Loan receivables | 6 418 691.31 | 31 299 533.50 |
| Interest-bearing receivables | 95 607 651.13 | 104 296 231.87 |
| Other securities | <u>242 042 942.13</u> | <u>425 286 913.26</u> |
| Total | 344 069 284.57 | 560 882 678.63 |
| Receivables from equity accounted investments | | |
| Interest-bearing receivables | <u>416 659.30</u> | <u>487 900.98</u> |
| Total | 416 659.30 | 487 900.98 |
| Interest-bearing receivables | 162 130 840.70 | 118 963 546.54 |
| Other securities | 878 531 204.46 | 595 528 355.88 |
| Total short-term interest-bearing receivables | 1 385 147 989.03 | 1 275 862 482.03 |
| Significant accruals | | |
| Commodity contract accruals from Group | 1 849 084.23 | 5 350 370.46 |
| Other accruals from Group | 6 025 693.65 | 1 334 189.04 |
| Accrued insurance payments | 0.00 | 168 733.32 |
| Commodity derivative contract accruals | 4 078 418.45 | 3 182 642.96 |
| Personnel cost items | 0.00 | 3 881 400.64 |
| Other accruals | <u>15 163 982.82</u> | <u>12 306 624.85</u> |
| | 27 117 179.15 | 26 223 961.27 |

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 20. Capitalised interest, buildings, plant and equipment

| | 2010 | 2009 |
|---------------------------------|--------------|--------------|
| Buildings and structures | | |
| Capitalised interest 1.1 | 522 641.00 | 543 312.00 |
| Additions 1.1-31.12 | 0.00 | 0.00 |
| Disposals 1.1-31.12 | 20 669.00 | 20 671.00 |
| Capitalised interest 31.12 | 501 972.00 | 522 641.00 |
| Plant and equipment | | |
| Capitalised interest 1.1 | 3 161 254.00 | 2 912 853.00 |
| Additions 1.1-31.12 | 1 423 817.00 | 587 908.00 |
| Disposals 1.1-31.12 | 1 169 566.00 | 339 507.00 |
| Capitalised interest 31.12 | 3 415 505.00 | 3 161 254.00 |
| Other tangible assets | | |
| Capitalised interest 1.1 | 326 457.00 | 357 166.00 |
| Additions 1.1-31.12 | 0.00 | |
| Disposals 1.1-31.12 | 30 705.00 | 30 709.00 |
| Capitalised interest 31.12 | 295 752.00 | 326 457.00 |
| Total | | |
| Capitalised interest 1.1 | 4 010 352.00 | 3 813 331.00 |
| Additions 1.1-31.12 | 1 423 817.00 | 587 908.00 |
| Disposals 1.1-31.12 | 1 220 940.00 | 390 887.00 |
| Capitalised interest 31.12 | 4 213 229.00 | 4 010 352.00 |

Note 21. Shareholders' equity

| | | |
|---|-------------------|-------------------|
| Share capital 1.1 | 1 342 215 448.30 | 1 342 215 448.30 |
| Share capital 31.12 | 1 342 215 448.30 | 1 342 215 448.30 |
| Share premium fund 1.1 | 3 638 800 031.65 | 5 484 669 300.73 |
| Capital repayment | 0.00 | -157 723 959.00 |
| Transfer to invested unrestricted equity fund | 0.00 | -1 688 145 310.08 |
| Share premium fund 31.12 | 3 638 800 031.65 | 3 638 800 031.65 |
| Reserve fund 1.1 | 0.00 | 353 946 990.12 |
| Transfer to invested unrestricted equity fund | 0.00 | -353 946 990.12 |
| Reserve fund 31.12 | 0.00 | 0.00 |
| Invested unrestricted equity fund 1.1 | 2 042 092 300.20 | 0.00 |
| Transfer from reserve fund | 0.00 | 353 946 990.12 |
| Transfer from share premium fund | 0.00 | 1 688 145 310.08 |
| Transfer to retained earnings | -1 251 265 583.67 | 0.00 |
| Distribution of funds | -157 723 997.40 | 0.00 |
| Invested unrestricted equity fund 31.12 | 633 102 719.13 | 2 042 092 300.20 |
| Retained earnings 1.1 | -1 251 265 583.67 | -410 680 094.29 |
| Transfer from unrestricted equity fund | 1 251 265 583.67 | |
| Reversal of increase in value on land | -127 388.66 | -93 172.73 |
| Retained earnings 31.12 | -127 388.66 | -410 773 267.02 |
| Profit/loss for the period | 817 440 190.08 | -840 492 316.65 |
| Restricted shareholders' equity 31.12 | 4 981 015 479.95 | 4 981 015 479.95 |
| Distributable shareholders' equity 31.12 | | |
| Invested unrestricted equity fund 31.12 | 633 102 719.13 | 2 042 092 300.20 |
| Losses brought forward 31.12 | -127 388.66 | -1 251 265 583.67 |
| Profit for the period | 817 440 190.08 | 0.00 |
| Distributable shareholders' equity 31.12 | 1 450 415 520.55 | 790 826 716.53 |

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 22. Share capital distribution between A shares and R shares

| | A shares | R shares | Total |
|--|-------------|-------------|-------------|
| 31.12.1998 | 243 394 655 | 516 185 034 | 759 579 689 |
| Conversion of A shares to R shares 6-24.9 | -34 443 467 | 34 443 467 | 0 |
| Subscribed under option rights 26.10 | | 30 000 | 30 000 |
| 31.12.1999 | 208 951 188 | 550 658 501 | 759 609 689 |
| Subscribed under option rights 26.1 | | 246 000 | 246 000 |
| Share issue (Consolidated Papers) 11.9 | | 167 367 577 | 167 367 577 |
| Conversion of A shares to R shares 16-27.10 | -14 454 732 | 14 454 732 | 0 |
| 31.12.2000 | 194 496 456 | 732 726 810 | 927 223 266 |
| Subscribed under option rights 5.1 | | 312 000 | 312 000 |
| Subscribed under option rights 16.3 | | 964 201 | 964 201 |
| Shares cancelled (AGM 2001) 9.4 | -910 600 | -22 260 100 | -23 170 700 |
| Subscribed under option rights 29.5 | | 228 000 | 228 000 |
| Subscribed under option rights 20.7 | | 773 522 | 773 522 |
| Conversion of A shares to R shares 17-28.9 | -9 312 271 | 9 312 271 | 0 |
| Subscribed under option rights 17.10 | | 238 287 | 238 287 |
| Subscribed under option rights 29.11 | | 184 723 | 184 723 |
| 31.12.2001 | 184 273 585 | 722 479 714 | 906 753 299 |
| Subscribed under option rights 10.1 | | 1 158 000 | 1 158 000 |
| Shares cancelled (AGM 2002) 3.4 | -813 200 | -7 319 800 | -8 133 000 |
| Conversion of A shares to R shares 16-27.9 | -1 143 700 | 1 143 700 | 0 |
| 31.12.2002 | 182 316 685 | 717 461 614 | 899 778 299 |
| Subscribed under option rights 9.1 | | 3 000 | 3 000 |
| Shares cancelled (AGM 2003) 31.3 | -93 800 | -35 500 000 | -35 593 800 |
| Conversion of A shares to R shares 5-11/2003 | -1 011 805 | 1 011 805 | 0 |
| Subscribed under option rights 12.12 | | 75 000 | 75 000 |
| 31.12.2003 | 181 211 080 | 683 051 419 | 864 262 499 |
| Subscribed under option rights 8.1 | | 27 000 | 27 000 |
| Subscribed under option rights 15.1 | | 195 000 | 195 000 |
| Subscribed under option rights 4.3 | | 75 000 | 75 000 |
| Shares cancelled (AGM 2004) 5.4 | -8 100 | -27 800 000 | -27 808 100 |
| Subscribed under option rights 8.4 | | 492 000 | 492 000 |
| Conversion of A shares to R shares 1-11/2004 | -2 154 457 | 2 154 457 | 0 |
| 31.12.2004 | 179 048 523 | 658 194 876 | 837 243 399 |
| Shares cancelled 31.3.2005 | -16 300 | -24 250 000 | -24 266 300 |
| Conversion of A shares to R shares 1-11/2005 | -872 445 | 872 445 | 0 |
| 31.12.2005 | 178 159 778 | 634 817 321 | 812 977 099 |
| Shares cancelled 31.3.2006 | -38 600 | -23 400 000 | -23 438 600 |
| Conversion of A shares to R shares 1-11/2006 | -18 061 | 18 061 | 0 |
| 31.12.2006 | 178 103 117 | 611 435 382 | 789 538 499 |
| Conversion of A shares to R shares 1-11/2007 | -624 084 | 624 084 | 0 |
| 31.12.2007 | 177 479 033 | 612 059 466 | 789 538 499 |
| Conversion of A shares to R shares 12.07-11.08 | -326 552 | 326 552 | 0 |
| 31.12.2008 | 177 152 481 | 612 386 018 | 789 538 499 |
| Conversions of A shares to R shares 1-11/2009 | -2 397 | 2 397 | 0 |
| 31.12.2009 | 177 150 084 | 612 388 415 | 789 538 499 |
| Conversions of A shares to R shares 1-11/2010 | -300 | 300 | 0 |
| 31.12.2010 | 177 149 784 | 612 388 715 | 789 538 499 |

Counter value (nominal value) EUR 1.70 per share

| | A shares | R shares | |
|--------------------------|-------------|---------------|---------------|
| Share capital 31.12.2010 | 301 154 633 | 1 041 060 816 | 1 342 215 448 |

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| Note 23. Accumulated appropriations | 2010 | 2009 |
|--|----------------------|----------------------|
| Depreciation difference | | |
| Intangible rights | -439 990.19 | 151 252.81 |
| Goodwill | 5 360 000.00 | 5 513 333.00 |
| Other long-term expenditure | 348 596.98 | 197 159.98 |
| Buildings and structures | 60 477 261.45 | 65 325 298.45 |
| Plant and equipment | 301 581 844.93 | 155 497 366.93 |
| Other tangible assets | <u>19 770 894.63</u> | <u>23 954 519.63</u> |
| | 387 098 607.80 | 250 638 930.80 |

Note 24. Statutory provisions

| | | |
|----------------------------|----------------------|----------------------|
| Other statutory provisions | | |
| Restructuring provisions | 13 417 307.20 | 15 434 913.05 |
| Environmental provisions | 21 361 218.45 | 18 211 156.55 |
| Pension provisions | 3 116 743.16 | 3 722 524.00 |
| Other provisions | <u>56 643 089.00</u> | <u>17 715 289.00</u> |
| | 94 538 357.81 | 55 083 882.60 |

Note 25. Deferred tax liabilities and receivables

| | | |
|---|-----------------------|-----------------------|
| Deferred tax liability due to depreciation difference | 83 154 508.72 | 46 408 792.69 |
| Deferred tax liability due to derivatives | 11 218 460.55 | -5 737 066.53 |
| Deferred tax liability due to fixed asset items | 2 860 000.00 | 3 445 000.00 |
| Deferred tax receivable due to loss | -148 091 329.75 | -165 241 205.47 |
| Deferred tax receivable due to provisions | <u>-14 369 701.86</u> | <u>-16 957 817.62</u> |
| Total deferred tax receivable/liability | -65 228 062.34 | -138 082 296.93 |

Deferred tax receivables and liabilities have not been recognised in the balance sheet.

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| Note 26. Short-term interest-bearing liabilities | 2010 | 2009 |
|--|-------------------------|-------------------------|
| Liabilities to Group companies | | |
| Other short-term loans | 1 819 253 888.03 | 2 214 383 654.63 |
| Interest due | 116 569 234.31 | 54 302 718.92 |
| Total | 1 935 823 122.34 | 2 268 686 373.55 |
| Other short-term loans | 241 284 745.10 | 35 002 602.88 |
| Interest due | 171 523 865.72 | 167 964 728.62 |
| Total short-term interest-bearing liabilities | 2 348 631 733.16 | 2 471 653 705.05 |
| Note 27. Other short-term liabilities | | |
| Advances received | 6 269 437.52 | 3 877 177.40 |
| Trade payables | 143 569 548.12 | 140 188 927.09 |
| Liabilities to Group companies | | |
| Advances received | 9 020.74 | 31 442.26 |
| Trade payables | 68 709 985.70 | 64 060 475.75 |
| Other liabilities | 570 433.10 | 623 277.91 |
| Accrued liabilities and deferred income | 7 905 506.94 | 2 425 009.51 |
| Total | 77 194 946.48 | 67 140 205.43 |
| Liabilities to equity accounted investments | | |
| Trade payables | 7 083 094.63 | 10 493 250.88 |
| Other liabilities | 291 497.27 | 3 299 647.52 |
| Total | 7 374 591.90 | 13 792 898.40 |
| Other liabilities | 34 638 817.74 | 39 700 524.47 |
| Accrued liabilities and deferred income | 183 607 209.90 | 156 110 023.65 |
| Total other short-term liabilities | 452 654 551.66 | 420 809 756.44 |
| Significant accrued liabilities and deferred income | | |
| Provision for restructuring | 12 239 726.26 | 14 596 946.87 |
| Payroll payments accrued | 63 042 893.44 | 72 070 148.38 |
| Annual discounts | 35 630 927.20 | 36 217 456.57 |
| Other accrued liabilities and deferred income | 80 599 169.94 | 35 650 481.34 |
| | 191 512 716.84 | 158 535 033.16 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

| Note 28. Commitments and contingencies | 31.12.2010 | 31.12.2009 |
|---|------------------|----------------|
| On own behalf, for own debt | | |
| Mortgages | 168 187.00 | 168 187.00 |
| For Group debt | | |
| Guarantees | 736 881 609.00 | 436 975 335.51 |
| On behalf of equity accounted investments | | |
| Guarantees | 154 575 962.00 | 180 195 197.27 |
| On behalf of others | | |
| Guarantees | 104 335 608.00 | 118 178 303.57 |
| Other commitments, own | | |
| Leasing commitments, in next 12 months | 15 694 525.00 | 5 647 224.88 |
| Leasing commitments, after next 12 months | 101 752 126.00 | 35 471 385.25 |
| Mortgages | 3 363 600.00 | 337 758.00 |
| Other contingencies | 419 398.00 | 384 009.00 |
| Total | | |
| Mortgages | 3 531 787.00 | 505 945.00 |
| Guarantees | 995 793 179.00 | 735 348 836.35 |
| Leasing commitments | 117 446 651.00 | 41 118 610.13 |
| Other contingencies | 419 398.00 | 384 009.00 |
| Total | 1 117 191 015.00 | 777 357 400.48 |

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 29. Interest-bearing debt

Repayment schedule of long-term debt including amortisation 31.12.2010

| EUR thousand | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 - | Total |
|---|---------|---------|---------|---------|---------|-----------|-----------|
| Bonds | 49 706 | 0 | 0 | 686 803 | 484 996 | 1 099 359 | 2 320 864 |
| Loans from credit institutions | 25 360 | 68 800 | 0 | 0 | 0 | 274 903 | 369 063 |
| Pension loans | 30 715 | 30 701 | 29 808 | 28 915 | 28 903 | 86 414 | 235 456 |
| Other long-term liabilities | 0 | 1 946 | 1 898 | 8 | 8 | 116 | 3 976 |
| Other long-term liabilities from forest sellers | 1 704 | 5 927 | 6 724 | 8 723 | 40 453 | 0 | 63 531 |
| Other long-term liabilities to Group companies | 0 | 0 | 325 500 | 0 | 0 | 0 | 325 500 |
| | 107 485 | 107 374 | 363 930 | 724 449 | 554 360 | 1 460 792 | 3 318 390 |

Bonds

| EUR million | Interest rate | Currency | Original loan capital | Carrying value 31.12.2009 | Carrying value 31.12.2010 |
|--|---------------|----------|-----------------------|------------------------------|------------------------------|
| Fixed rate | | | | | |
| 1993-2019 | 8.600 | USD | 50.0 | 40.4 | 42.7 |
| 2004-2014 | 5.125 | EUR | 750.0 | 672.3 | 686.8 |
| 2006-2016 | 6.404 | USD | 507.9 | 340.7 | 369.8 |
| 2006-2036 | 7.250 | USD | 300.0 | 205.7 | 222.0 |
| 2006-2015 | 3.500 | SEK | 500.0 | 51.8 | 58.3 |
| 2010-2015 | 5.750 | SEK | 2 400.0 | - | 268.8 |
| Loans matured and extinguished in 2010 | | | | 823.9 | |

Floating Rate

| | | | | | |
|--|--------------|-----|---------|-------|-------|
| 2006-2018 | Euribor+0.96 | EUR | 25.0 | 25.0 | 25.0 |
| 2006-2018 | Euribor+0.72 | EUR | 50.0 | 49.9 | 49.9 |
| 2009-2016 | Euribor+4.21 | EUR | 390.0 | 390.0 | 390.0 |
| 2010-2011 | Euribor+2.39 | EUR | 25.0 | - | 24.9 |
| 2010-2011 | Euribor+2.41 | EUR | 25.0 | - | 24.8 |
| 2010-2015 | Stibor+3.70 | SEK | 1 400.0 | - | 157.9 |
| Loans matured and extinguished in 2010 | | | | 25.0 | |

2 624.7 2 320.9

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 30. Fair values of financial instruments

Open agreements for risk management purposes 31.12.2010

| | | |
|------------|------------|------------|
| Fair value | 31.12.2010 | 31.12.2009 |
|------------|------------|------------|

EUR million

Interest Rate Derivatives

| | | |
|---------------------------------|-------|-------|
| Interest rate swaps | 135.4 | 156.6 |
| Interest rate options | -35.3 | -26.7 |
| Total interest rate derivatives | 100.1 | 129.9 |

Currency Derivatives

| | | |
|----------------------------|------|------|
| Forward contracts | 42.0 | 52.2 |
| Currency swaps | 0.0 | 0.0 |
| Currency options | 4.4 | 30.3 |
| Total currency derivatives | 46.4 | 82.5 |

Commodity Derivatives

| | | |
|------------------------------|------|-----|
| Energy and paper derivatives | 19.0 | 4.3 |
|------------------------------|------|-----|

Total return swaps

| | | |
|--------------------|------|-------|
| Total return swaps | 13.8 | -14.1 |
|--------------------|------|-------|

Nominal value

Interest Rate Derivatives

| | | |
|---------------------------------|---------|---------|
| Interest rate swaps | 4 202.0 | 3 912.6 |
| Interest rate options | 601.0 | 387.4 |
| Total interest rate derivatives | 4 803.0 | 4 300.0 |

Currency Derivatives

| | | |
|----------------------------|---------|---------|
| Forward contracts | 5 244.6 | 6 411.9 |
| Currency swaps | 0.0 | 0.0 |
| Currency options | 3 724.8 | 2 446.6 |
| Total currency derivatives | 8 969.4 | 8 858.5 |

Commodity Derivatives

| | | |
|------------------------------|-------|-------|
| Energy and paper derivatives | 543.9 | 716.0 |
|------------------------------|-------|-------|

Total return swaps

| | | |
|--------------------|------|-------|
| Total return swaps | 83.1 | 104.7 |
|--------------------|------|-------|

ENVIRONMENTAL LIABILITIES 31.12.2010

1. Pateniemi sawmill site

Stora Enso Oyj owns land in Oulu where Pateniemi Sawmill operated from the late 1800s until 1990. Following the operations, the soil of the woodhandling and warehouse areas is contaminated. Stora Enso Oyj is responsible for decontaminating and restoring the area. The assessment of the environmental effects was completed in 2005 and identification of the environmental risks was completed in February 2009. Closure of the tip and decontamination of the most polluted area began in December 2010. According to the prevailing environmental permits, decontamination of the soil and closure of the tip must be completed by the end of 2014.

2. Dismantling of cells at chlorine plant

Stora Enso Oyj, at that time Enso Oyj, sold its paper chemicals business operations to Akzo Nobel in 1997. The chlorine and chlorate plant in Oulu was transferred to the new owner in the deal. The plant operates under the name Eka Chemicals Oy. The sales agreement specified that the seller remained responsible for environmental liabilities arising before the time of the sale. In 2007 the cells no longer used for chlorine production were dismantled so that they would not pose an occupational hazard. It was separately agreed that when Eka Chemicals will cease production of chlorine and sodium hydroxide by the mercury method, Stora Enso will be responsible for decontaminating the area in accordance with the sales agreement. Eka Chemicals must cease to use the mercury method by the end of 2015.

3. Kemijärvi pulp mill

Production at Kemijärvi Pulp Mill ceased in April 2008. The Regional State Administrative Agency issued a decision concerning an environmental permit related to the cessation of operations in April 2010. Stora Enso Oyj has filed an appeal to the Vaasa Administrative Court against the permit decision. The environmental permit process has not been completed. The soil at the mill site was decontaminated in 2010 in accordance with the environmental permit in force for decontaminating soil. The old tip was closed in 2010 in compliance with the permit.

4. Summa mill

Production at Summa Mill ceased in January 2008. An environmental permit to cease operations was received in summer 2009. The soil and groundwater have been largely decontaminated and most other obligations stipulated by the environmental permit have also been fulfilled.

5. Varkaus mill

Following the ending of newsprint production at Varkaus, an assessment to identify contamination of soil at the mill site was conducted in 2010.

6. Sunila mill

A preliminary assessment to identify contamination of soil at the Sunila Mill site was conducted in 2009 related to the plan to close the mill. According to the risk assessment, there is no need to begin decontaminating the site because industrial operations continue.

7. Heinola Fluting mill

The landfill site at Stora Enso Oyj's Heinola Fluting Mill has a waste liquor basin that was built in 1979 for storing low-concentration liquor. Low-concentration liquor was discharged into the basin until 2001. In the decision issued in 2006 concerning the environmental permit for the landfill site, a condition of the permit was that the soil at the site had to be assessed for contamination and a remediation plan drafted. The investigations showed that the soil was not contaminated, but emptying of the waste liquor basin and its remediation were deemed necessary. A preliminary plan for remediation was submitted to the authorities in 2010. The final remediation plan and schedule will be specified in the coming negotiations with the authorities.

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

List of account books, types of accounting records and storage methods:

| | |
|-----------------------------|------------------|
| Balance sheet book | bound volume |
| General ledger and journal | cd |
| Specifications | cd |
| Accounts payable records | paper records |
| Accounts receivable records | cd/paper records |
| Memo vouchers | paper records |
| Records of fixed assets | cd |
| Payroll records | paper records |