STORA ENSO OYJ INTERIM REVIEW 20 April 2011 at 13.00 EET

Stora Enso Interim Review January–March 2011
Strong quarter – every business improved

- ***EUR 248 million quarterly operating profit excluding NRI and fair valuations, up by EUR 129 million (108)% year-on-year, EBITDA excluding NRI and fair valuations up by 59%.***
- ***ROCE excluding NRI and fair valuations 11% (6)%.***
- ***Improved year-on-year pricing and continued productivity improvement in all segments.***
- ***Strong growth in market pulp.***
- ***Increase in cost inflation estimate to approximately 4% for the full year 2011, actions to improve costs, productivity, product and customer mix continue to be even more important.***
- ***Cost inflation and maintenance stoppages will limit Q2 2011 earnings improvement year-on-year.***
- ***Investments announced in strategic high-return growth areas: Montes del Plata Pulp Mill, Uruguay and containerboard machine at Ostrołęka, Poland.***

Summary of First Quarter Results

		Q1/11	*Q4/10*	*Q1/10*
Sales	**EUR million**	**2 726.9**	**2 685.2**	**2 295.9**
EBITDA excl. NRI and fair valuations	EUR million	368.3	288.8	232.1
Operating Profit excl. NRI and Fair Valuations	**EUR million**	**248.0**	**166.8**	**119.4**
Operating profit (IFRS)	EUR million	237.2	410.9	123.4
Profit before tax excl. NRI	EUR million	213.2	187.0	136.8
Profit before tax	EUR million	186.0	389.2	117.9
Net profit excl. NRI	EUR million	175.3	148.7	121.0
Net profit	EUR million	155.9	313.0	102.1
EPS excl. NRI	EUR	0.22	0.19	0.15
EPS	EUR	0.20	0.39	0.13
CEPS excl. NRI	EUR	0.39	0.37	0.31
ROCE excl. NRI	%	12.1	9.9	7.2
ROCE excl. NRI and fair valuations	%	11.4	7.9	6.0

Fair valuations include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, and valuations of biological assets related to forest assets in equity accounted investments.
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 or reversals of write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally specified individually if they exceed one cent per share.

rethink.
storaenso

Kanavaranta 1
00160 Helsinki
P.O. Box 309
FI-00101 Helsinki, Finland
Tel +358 2046 131
Fax +358 2046 21471
www.storaenso.com

Stora Enso Oyj
Business ID 1039050-8

Markets

Compared with Q1/2010

Product	Market	Demand	Price
Consumer board	Europe	slightly stronger	higher
Industrial packaging	Europe	stable	significantly higher
Newsprint	Europe	slightly weaker	significantly higher
Coated magazine paper	Europe	stable	higher
Uncoated magazine paper	Europe	slightly weaker	higher
Coated fine paper	Europe	slightly weaker	higher
Uncoated fine paper	Europe	slightly weaker	significantly higher
Wood products	Europe	slightly stronger	higher

Industry inventories were higher for magazine paper, fine paper and wood products, and significantly lower for newsprint.

Compared with Q4/2010

Product	Market	Demand	Price
Consumer board	Europe	stable	slightly higher
Industrial packaging	Europe	slightly weaker	slightly higher
Newsprint	Europe	significantly weaker	significantly higher
Coated magazine paper	Europe	significantly weaker	higher
Uncoated magazine paper	Europe	significantly weaker	higher
Coated fine paper	Europe	stronger	slightly lower
Uncoated fine paper	Europe	significantly stronger	stable
Wood products	Europe	slightly weaker	slightly lower

Industry inventories were higher for newsprint, magazine paper, fine paper and wood products.

Stora Enso Deliveries and Production

	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Paper and board deliveries (1 000 tonnes)	2 506	2 724	2 519	-0.5	-8.0
Paper and board production (1 000 tonnes)	2 618	2 665	2 675	-2.1	-1.8
Wood products deliveries (1 000 m^3)	1 238	1 259	1 149	7.7	-1.7
Market pulp deliveries (1 000 tonnes)*	313	245	244	28.3	27.8
Corrugated packaging deliveries (million m^2)	247	271	250	-1.2	-8.9

**Stora Enso's net market pulp position will be about 1 million tonnes for 2011.*

Q1/2011 Results (compared with Q1/2010)

Breakdown of Sales Change Q1/2010 to Q1/2011

	Sales
Q1/2010, EUR million	**2 295.9**
Price and mix, %	11
Currency, %	2
Volume, %	7
Other sales*, %	3
Total before structural changes, %	23
Structural change**, %	-4
Total, %	19
Q1/2011, EUR million	**2 726.9**

**Wood, energy, RCP, by-products etc.*
***Asset closures, major investments, divestments and acquisitions*

Key Figures

EUR million	Q1/2011	Q4/2010	Q1/2010	2010	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	2 726.9	2 685.2	2 295.9	10 296.9	18.8	1.6
EBITDA excl. NRI and fair valuations	368.3	288.8	232.1	1 216.5	58.7	27.5
Operating profit excl. NRI and fair valuations	248.0	166.8	119.4	754.1	107.7	48.7
Operating margin excl. NRI and fair valuations, %	9.1	6.2	6.2	7.3	46.8	46.8
Operating profit (IFRS)	237.2	410.9	123.4	1 026.8	92.2	-42.3
Operating profit, % of sales	8.7	15.3	5.4	10.0	61.1	-43.1
Profit before tax excl. NRI	213.2	187.0	136.8	745.7	55.8	14.0
Profit before tax	186.0	389.2	117.9	925.9	57.8	-52.2
Net profit for the period excl. NRI	175.3	148.7	121.0	627.0	44.9	17.9
Net profit for the period	155.9	313.0	102.1	769.3	52.7	-50.2
Capital expenditure	57.3	138.8	112.8	400.4	-49.2	-58.7
Depreciation and impairment charges excl. NRI	135.4	142.5	126.8	529.4	6.8	-5.0
ROCE excl. NRI and fair valuations, %	11.4	7.9	6.0	9.2	90.0	44.3
ROCE excl. NRI, %	12.1	9.9	7.2	10.3	68.1	22.2
Earnings per share (EPS) excl. NRI, EUR	0.22	0.19	0.15	0.79	46.7	15.8
EPS (basic), EUR	0.20	0.39	0.13	0.97	53.8	-48.7
Cash earnings per share (CEPS) excl. NRI, EUR	0.39	0.37	0.31	1.46	25.8	5.4
CEPS, EUR	0.39	0.27	0.30	1.33	30.0	44.4
Return on equity (ROE), %	9.9	20.8	7.8	13.5	26.9	-52.4
Debt/equity ratio	0.38	0.39	0.54	0.39	-29.6	-2.6
Equity per share, EUR	8.01	7.87	6.60	7.87	21.4	1.8
Equity ratio, %	48.1	48.0	43.6	48.0	10.3	0.2
Average number of employees	26 323	26 535	27 245	27 383	-3.4	-0.8
Average number of shares (million)						
periodic	788.6	788.6	788.6	788.6	0.0	0.0

cumulative	788.6	788.6	788.6	788.6	0.0	0.0
cumulative, diluted	788.6	788.6	788.6	788.6	0.0	0.0

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 or reversals of 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 equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, and valuations of biological assets related to forest assets in equity accounted investments.

Reconciliation of Operating Profit

EUR million	Q1/11	Q4/10	Q1/10	2010	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Profit from operations, excl. NRI	232.9	146.4	105.2	687.1	121.4	59.1
Equity accounted investments, operational, excl. fair valuations	15.1	20.4	14.2	67.0	6.3	-26.0
Operating Profit excl. NRI and Fair Valuations	**248.0**	**166.8**	**119.4**	**754.1**	**107.7**	**48.7**
Fair valuations	16.4	41.9	22.9	92.5	-28.4	-60.9
Operating Profit, excl. NRI	**264.4**	**208.7**	**142.3**	**846.6**	**85.8**	**26.7**
NRI	-27.2	202.2	-18.9	180.2	-43.9	-113.5
Operating Profit (IFRS)	**237.2**	**410.9**	**123.4**	**1 026.8**	**92.2**	**-42.3**

Q1/2011 Results (compared with Q1/2010) *(continued)*

Operating profit at EUR 248 million excluding non-recurring items and fair valuations was EUR 129 million higher than a year ago. This represents an operating margin of 9.1%.

Price increases in local currencies and a favourable product mix increased operating profit by EUR 257 million. Higher volumes increased operating profit by EUR 26 million. Paper and board production was curtailed by 7% (12%) and sawnwood production by 2% (6%) of capacity.

The costs of RCP, chemicals, corrugated raw materials, sawlogs, pulpwood and pulp were higher than a year ago, but productivity improvements and cost savings partly compensated for the cost increases. The net impact of the increase in variable costs and fixed costs in local currencies was a negative EUR 130 million. Market pulp had a positive net impact of EUR 9 million, mainly in Magazine Paper, as profit improvement through external pulp sales more than offset the higher cost of externally purchased pulp.

The favourable impact of exchange rates on sales was more than offset by the unfavourable impact of exchange rates on costs, especially due to the Swedish krona, the net impact being some EUR 13 million negative, after hedges.

Depreciation increased by EUR 10 million, partly due to the reversal of previous impairments in 2010.

The share of the operational results of equity accounted investments amounted to EUR 15 (EUR 14) million, with the largest contributions from Tornator and Bergvik Skog.

The Group recorded a net negative EUR 27 million of non-recurring items at operating profit level in the first quarter of 2011. The NRI relate materially to the planned closure of Kopparfors Sawmill. The other NRI relate to other restructuring actions and updates of existing provisions.

Net financial items were EUR -51 (EUR -6) million. Net interest expenses increased from EUR 17 million to EUR 23 million. Net foreign exchange losses amounted to EUR 12 (gain EUR 11) million and the net loss from other financial items totalled EUR 16 (EUR 0) million, mainly relating to the fair valuation of non-hedge accounted interest rate derivatives due to the increased market rates.

Group capital employed was EUR 8 768 million on 31 March 2011, a net increase of EUR 706 million due to the increased working capital, impairment reversal, strengthening of the Swedish krona and PVO valuation.

Q1/2011 Results (compared with Q4/2010)
Sales were slightly up by EUR 42 million on the previous quarter. Operating profit excluding non-recurring items and fair valuations was EUR 81 million higher than in the previous quarter at EUR 248 million. Higher sales prices in local currencies and a favourable product mix more than compensated for higher corrugated raw material, energy and RCP costs. The net impact of exchange rates was unfavourable.

Capital Structure

EUR million	31 Mar 11	31 Dec 10	31 Mar 10
Operative fixed assets	6 394.2	6 445.2	6 084.6
Equity accounted investments	1 725.4	1 744.0	1 572.0
Operative working capital	1 530.3	1 399.3	1 256.2
Non-current interest-free items, net	-473.2	-493.9	-499.6
Operating Capital Total	**9 176.7**	**9 094.6**	**8 413.2**
Net tax liabilities	-408.6	-429.9	-350.9
Capital Employed	**8 768.1**	**8 664.7**	**8 062.3**
Equity attributable to Company shareholders	6 318.1	6 202.9	5 206.6
Non-controlling interests	49.0	51.8	58.8
Net interest-bearing liabilities	2 401.0	2 410.0	2 811.9
Held for sale	-	-	-15.0
Financing Total	**8 768.1**	**8 664.7**	**8 062.3**

Financing Q1/2011 (compared with Q4/2010)
Cash flow from operations remained healthy at EUR 163 (EUR 265) million despite the increase in working capital. The increase was mainly due to higher business volumes but also to increase supply reliability. Cash flow after investing activities was EUR 106 (EUR 126) million as capital expenditure in the first quarter of 2011 was below the annual run rate. At the end of the period, interest-bearing net liabilities of the Group were unchanged at EUR 2 401 million.

Total unutilised committed credit facilities changed from EUR 1 400 million to EUR 700 million. In December 2010 Stora Enso signed a new EUR 700 million committed credit facility agreement with a syndicate of 16 banks effective in January 2011. The new facility matures in January 2014. Cash and cash equivalents net of overdrafts remained strong at EUR 1 108 million, which is EUR 5 million more than for the previous quarter. In addition, Stora Enso has access to various long-term sources of funding up to EUR 600 million.

The debt/equity ratio at 31 March 2011 was 0.38 (0.39). The currency effect on owners' equity was negative EUR 50 million net of the hedging of equity translation risks.

Cash Flow

EUR million	Q1/11	Q4/10	Q1/10	2010	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Operating profit	237.2	410.9	123.4	1 026.8	92.2	-42.3
Depreciation and other non-cash items	104.6	-130.3	101.2	172.4	3.4	180.3
Change in working capital	-178.9	-16.1	-105.4	-207.1	-69.7	n/m
Cash Flow from Operations	**162.9**	**264.5**	**119.2**	**992.1**	**36.7**	**-38.4**
Capital expenditure	-57.3	-138.8	-112.8	-400.4	49.2	58.7
Cash Flow after Investing Activities	**105.6**	**125.7**	**6.4**	**591.7**	**n/m**	**-16.0**

Capital Expenditure for January–March 2011

Capital expenditure for the first quarter of 2011 totalled EUR 57 million, which is 42% of depreciation in the same period. Capital expenditure for the Group for the full year 2011 will be approximately EUR 550 million. Annual depreciation in 2011 will be about EUR 570 million. The equity injection into Montes del Plata, a joint venture in Uruguay, will be approximately EUR 120 million. Close to 80% of capital expenditure including equity injections is allocated for the strategic high-return growth areas in 2011.

The main projects during the first quarter of 2011 were power plants and energy-related projects at existing mills (EUR 20 million) and development of existing production (EUR 13 million).

Near-term Outlook

Demand is expected to be slightly stronger than a year ago for consumer board and stronger for industrial packaging, similar for newsprint and coated magazine paper in Europe, and slightly stronger than a year ago for uncoated magazine paper.

Demand for fine paper is forecast to be similar to a year ago. Demand for wood products is anticipated to be slightly stronger than a year ago.

Consumer board prices are predicted to be similar but industrial packaging prices slightly higher than in the previous quarter. Newsprint and coated magazine paper prices are expected to be stable and uncoated magazine paper prices slightly higher than in the previous quarter.

Fine paper and wood product prices are forecast to be slightly higher than in the previous quarter.

Increased cost inflation and maintenance stoppages will limit the year-on-year earnings improvement in the second quarter of 2011.

The Group has increased its forecast of cost inflation excluding internal actions from 3% to 4% for the full year 2011. Actions on costs, productivity, and product and customer mix continue to be even more important.

Segments Q1/11 compared with Q1/10

Consumer Board

Consumer Board manufactures all major types of consumer board, such as liquid packaging board, food service board, graphical board and cartonboard for packaging food, cigarettes, pharmaceuticals, cosmetics and luxury products.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	647.0	611.5	523.1	23.7	5.8
EBITDA*	134.1	90.1	101.6	32.0	48.8
Operating profit*	95.8	52.1	70.5	35.9	83.9
% of sales	14.8	8.5	13.5	9.6	74.1
ROOC, %**	25.7	14.9	23.8	8.0	72.5
Paper and board deliveries, 1 000 t***	594	591	551	7.8	0.5
Paper and board production, 1 000 t***	645	596	602	7.1	8.2
Market pulp deliveries, 1 000 t	120	105	89	34.8	14.3

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

- Stora Enso launched Pharma DDSi remote access functionality that facilitates real-time adherence control in the healthcare sector.
- Stora Enso will invest EUR 12 million in an environmental and safety improvement project at Enocell Pulp Mill in Finland in 2011–2013.
- There will be an annual maintenance stoppage at Enocell Mill and a maintenance stoppage at Imatra Mills in Finland during the second quarter of 2011.

Consumer board sales were EUR 647 million, up 24% on the first quarter of 2010. Operating profit was EUR 96 million, up EUR 25 million on the first quarter of 2010. Supported by practically full capacity utilisation, productivity and efficiency were exceptionally good. Increased sales prices and volumes more than compensated for higher raw material and energy costs.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Consumer board	Europe	slightly stronger	stable	higher	slightly higher

Industrial Packaging

Industrial Packaging manufactures corrugated packaging and containerboard, cores and coreboard, and also paper sacks, and sack and kraft paper.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	243.4	241.7	223.2	9.1	0.7
EBITDA*	32.2	34.3	20.0	61.0	-6.1
Operating profit*	19.4	22.0	7.7	151.9	-11.8
% of sales	8.0	9.1	3.4	135.3	-12.1
ROOC, %**	12.0	14.2	5.2	130.8	-15.5
Paper and board deliveries, 1 000 t	205	195	226	-9.3	5.1
Paper and board production, 1 000 t	206	194	241	-14.5	6.2
Corrugated packaging deliveries, million m^2	247	271	250	-1.2	-8.9
Corrugated packaging production, million m^2	249	272	250	-0.4	-8.5

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

- In January 2011 Stora Enso announced that EUR 285 million would be invested in a new containerboard machine at Ostrołęka in Poland.
- Power plant investment was completed at Ostrołęka in Poland.
- Regulatory approval process on Inpac International acquisition is ongoing and the acquisition is expected to be finalised in the second quarter of 2011.

Industrial packaging sales were EUR 243 million, up 9% on the first quarter of 2010. Operating profit was EUR 19 million, up EUR 12 million on the previous year as higher sales prices and volumes for containerboard and higher sales prices for corrugated packaging compensated for higher variable costs, especially for corrugated raw material. The laminating paper business was divested in summer 2010.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Industrial packaging	Europe	stable	slightly weaker	significantly higher	slightly higher

Newsprint and Book Paper

Newsprint and Book Paper manufactures a wide range of standard and improved newsprint, and book and directory paper grades.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	314.5	326.2	287.4	9.4	-3.6
EBITDA*	45.4	20.6	20.3	123.6	120.4
Operating profit/loss*	26.0	-2.7	-1.6	n/m	n/m
% of sales	8.3	-0.8	-0.6	n/m	n/m
ROOC, %**	10.9	-1.2	-0.6	n/m	n/m
Paper deliveries, 1 000 t	554	658	593	-6.6	-15.8
Paper production, 1 000 t	558	619	634	-12.0	-9.9

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

- Industry inventories were significantly lower than in the first quarter of 2010, but higher than in the previous quarter.
- Newsprint prices in euros increased to levels similar to 2009.

Newsprint and book paper sales were EUR 315 million, up 9% on the first quarter of 2010. Operating profit was EUR 26 million, up EUR 28 million on a year ago as higher sales prices more than compensated for higher variable costs. Volumes were slightly lower than a year earlier as the permanent shutdown of the newsprint machines at Varkaus Mill in Finland at the end of the third quarter of 2010 and the newsprint machine at Maxau Mill in Germany at the end of November 2010 reduced production volumes.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Newsprint	Europe	slightly weaker	significantly weaker	significantly higher	significantly higher
Newsprint	Overseas	slightly weaker	weaker	significantly higher	stable

Magazine Paper

Magazine Paper manufactures uncoated magazine paper mainly for periodicals and advertising, and coated matt, silk and glossy magazine paper for specialist and general interest magazines, supplements, home shopping catalogues and magazine covers.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	482.0	547.5	435.5	10.7	-12.0
EBITDA*	54.3	47.5	27.3	98.9	14.3
Operating profit*	28.2	19.5	3.9	n/m	44.6
% of sales	5.9	3.6	0.9	n/m	63.9
ROOC, %**	8.4	5.7	1.3	n/m	47.4
Paper deliveries, 1 000 t***	503	659	526	-4.4	-23.7
Paper production, 1 000 t***	558	618	550	1.5	-9.7
Market pulp deliveries, 1 000 t	151	113	127	18.9	33.6

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

- Industry inventories for magazine paper were higher than in the first quarter of 2010 and the previous quarter.
- The annual maintenance and upgrade preparation stoppage at Skutskär Pulp Mill in Sweden is scheduled during the second quarter of 2011.

Magazine Paper segment's sales were EUR 482 million, up 11% on the first quarter of 2010. Operating profit was EUR 28 million, up EUR 24 million on a year ago as higher prices more than compensated for higher wood, RCP and other variable costs.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Coated magazine paper	Europe	stable	significantly weaker	higher	higher
Coated magazine paper	Latin America	significantly stronger	significantly weaker	significantly higher	stable
Uncoated magazine paper	Europe	slightly weaker	significantly weaker	higher	higher
Uncoated magazine paper	China	significantly stronger	weaker	higher	slightly higher

Fine Paper

Fine Paper manufactures high quality graphic and office paper for printers and publishers, merchants, envelope converters, office equipment manufacturers and office suppliers.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	563.3	533.5	474.5	18.7	5.6
EBITDA*	102.4	90.6	62.1	64.9	13.0
Operating profit*	79.9	67.6	41.5	92.5	18.2
% of sales	14.2	12.7	8.7	63.2	11.8
ROOC, %**	33.3	29.1	17.7	88.1	14.4
Paper deliveries, 1 000 t ***	650	621	623	4.3	4.7
Paper production, 1 000 t ***	651	638	648	0.5	2.0
Market pulp deliveries, 1 000 t	42	27	28	50.0	55.6

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

- In the first quarter of 2011 Fine Paper launched Mediaset, Cosmoset and Lumiflex speciality papers from Uetersen Mill for labels and cans.
- Industry inventories for fine paper were higher than in the first quarter of 2010 and the previous quarter.
- The annual maintenance stoppages at Nymolla Mill in Sweden and Uetersen Mill in Germany will be during the second quarter of 2011.

Fine paper sales were EUR 563 million, up 19% on the first quarter of 2010. Operating profit was EUR 80 million, up EUR 38 million on the previous year as higher sales prices, the improved product mix due to restructuring and higher volumes more than offset higher pulp and chemical costs. Paper machine (PM) 8 at Imatra Mills was permanently shut down in early March 2010.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Coated fine paper	Europe	slightly weaker	stronger	higher	slightly lower
Coated fine paper	China	stronger	stronger	lower	stable
Uncoated fine paper	Europe	slightly weaker	significantly stronger	significantly higher	stable

Wood Products
Wood Products manufactures wood-based products for construction and interior decoration, and solid biofuels for the energy sector. Its recyclable products are made from high quality renewable European pine or spruce.

EUR million	Q1/11	Q4/10	Q1/10	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	409.7	410.3	331.6	23.6	-0.1
EBITDA*	22.6	21.1	14.9	51.7	7.1
Operating profit*	11.8	10.2	5.4	118.5	15.7
% of sales	2.9	2.5	1.6	81.3	16.0
ROOC, %**	8.0	6.8	3.8	110.5	17.6
Deliveries, 1 000 m^3	1 199	1 223	1 119	7.1	-2.0

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

- Bridport House in London is the first multi-storey building constructed from Stora Enso's pre-manufactured construction elements.
- In January 2011 Stora Enso announced further expansion in Building Solutions through investment in a new EUR 23 million pre-manufactured construction elements unit at Ybbs Sawmill in Austria.
- In March 2011 Stora Enso announced the planned permanent closure of Kopparfors Sawmill and integrated pellet mill in Sweden by the end of 2011 due to several years of losses and no feasible options for improvement.
- Industry inventories were higher than in the first quarter of 2010 and the previous quarter.

Wood product sales were EUR 410 million, up 24% on the first quarter of 2010. Operating profit was EUR 12 million, up EUR 6 million on a year earlier. Higher sales prices were partly offset by increased wood costs.

Markets

Product	Market	Demand Q1/11 compared with Q1/10	Demand Q1/11 compared with Q4/10	Price Q1/11 compared with Q1/10	Price Q1/11 compared with Q4/10
Wood products	Europe	slightly stronger	slightly weaker	higher	slightly lower
Wood products	Asia, Middle East and North Africa	slightly stronger	slightly weaker	significantly higher	slightly lower

Short-term Risks and Uncertainties
The main short-term risks and uncertainties are related to further increasing inflation in raw material costs and the limited ability to pass on cost increases in sales prices, and the threat of a white-collar strike in Finland. The political turmoil in North Africa and recent Japanese earthquake continue to cause uncertainties.

Energy sensitivity analysis for 2011: the direct effect on 2011 operating profit of a 10% increase in electricity, oil and other fossil fuel market prices would be about negative EUR 17 million annual impact, after the effect of hedges.

Wood sensitivity analysis for 2011: the direct effect on 2011 operating profit of a 10% increase in wood prices would be about negative EUR 236 million annual impact.

Pulp sensitivity analysis for 2011: the direct effect on 2011 operating profit of a 10% increase in yearly average pulp prices would be about positive EUR 55 million annual impact.

A decrease of energy, wood or pulp prices would have the opposite impact.

Foreign exchange rates sensitivity analysis for the next twelve months: the direct effect on operating profit of a 10% strengthening in the value of the US dollar, Swedish krona and British pound against the euro would be about positive EUR 108 million, negative EUR 110 million and positive EUR 58 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are before the effect of hedges and assuming no changes occur other than a single currency exchange rate movement.

First Quarter Events
In January 2011 Stora Enso announced that Montes del Plata, its joint venture with Arauco, would invest USD 1.9 billion in building a state-of-the-art 1.3 million tonnes per year pulp mill at Punta Pereira in Uruguay. Each of the joint-venture shareholders has a 50% stake in the mill's equity and will be entitled to half of its output. Stora Enso's share of the equity investment is about EUR 280 million.

Veracel
On 11 July 2008 Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's equity accounted investment Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible BRL 20 million (EUR 9 million) fine. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the competent authorities. In November 2008 a Federal Court suspended the effects of the decision as an interim measure. Veracel has not recorded any provision for the reforestation or the possible fine.

On 30 September 2009 a judge in the State of Bahia issued an interim decision ordering the State Government of Bahia not to grant Veracel further plantation licences in the municipality of Eunápolis in response to claims by a state prosecutor that Veracel's plantations exceeded the legal limits, which Veracel disputes. Veracel's position is supported by documentation issued by the State environmental authority.

Class Action Lawsuits in USA
In the context of magazine paper sales in the USA in 2002 and 2003, Stora Enso was sued in a number of class action (and other civil) lawsuits filed in the USA by various magazine paper purchasers that claimed damages for alleged antitrust violations. On 14 December 2010 a US federal court granted a motion for summary judgement that Stora Enso had filed seeking dismissal of the direct purchaser class action claims. The ruling, which the plaintiffs have appealed, means that the court has ruled in favour of Stora Enso and found the direct purchaser class action claims to be without legal foundation. Further, most of the indirect purchaser actions have been dismissed by a consent judgement, subject, however, to being reinstated if the plaintiffs' appeal in the direct cases is successful. The ruling, if it stands on appeal, will also provide a strong legal basis for final dismissal of all remaining civil cases. No provisions have been made in Stora Enso's accounts for these lawsuits.

Legal Proceeding in Finland
On 3 December 2009 the Finnish Market Court fined Stora Enso for competition law infringements in the market for roundwood in Finland from 1997 to 2004. Stora Enso did not appeal against the ruling.

On 31 March 2011 Metsähallitus of Finland initiated legal proceedings against Stora Enso, UPM and Metsäliitto claiming compensation for damages allegedly suffered due to the competition law infringements amounting altogether to EUR 283 million.

Stora Enso denies that Metsähallitus suffered any damages whatsoever and will forcefully defend itself. No provisions have been made in Stora Enso's accounts for this lawsuit.

Changes in Group Management
Juan Carlos Bueno, 42, was appointed to head the Group's operations in Latin America and as a member of the Group Executive Team as of 1 April 2011.

Share Capital
No conversions were recorded during the quarter.

On 31 March 2011 Stora Enso had 177 149 784 A shares and 612 388 715 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.

Events after the Period

On 4 April 2011 Stora Enso announced that it had signed a loan facility agreement with the International Finance Corporation (IFC) to extend the maturity of USD 128 million in syndicated loans under its existing facility with IFC.

On 18 April 2011 Stora Enso announced that due to a share lending transaction, where Norges Bank is the lender, the number of shares in the Company held by Norges Bank (The Central Bank of Norway) has decreased below 5% of the paid-up share capital and the number of shares in Stora Enso Oyj after a share lending transaction, where Norges Bank is the lender, on 15 April 2011.

PVO, in which Stora Enso has a 15% shareholding, announced on 19 April 2011 that it had sold its shareholding in Fingrid. The transaction value is EUR 325 million and PVO is recording a capital gain of approximately EUR 200 million. The impact of the transaction is not expected to be material in Stora Enso’s accounts.

On 20 April 2011 Stora Enso announced that it will invest approximately EUR 90 million in Skoghall consumer board mill in Sweden.

This report is unaudited.

Helsinki, 20 April 2011
Stora Enso Oyj
Board of Directors

Financials

Basis of Preparation
Except as described below, 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 2010.

The following amendments to standards and interpretations were adopted from 1 January 2011 but had no impact on the Group financial statements:

- IAS 24 *Related Party Disclosure* – Revised definition of related parties
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* requires the extinguishment of a financial liability by the issue of equity instruments to be measured at fair value with the difference between the fair value of the instrument issued and the carrying value of the liability extinguished being recognised in profit or loss.
- *Amendments to IFRS* – Through the annual improvements process, the minor and non-urgent changes are collected into one ensemble and implemented at the beginning of the year. In addition, the IASB has published a few other small amendments which have also been implemented at the beginning of the year. These changes and amendments effective from 1 January 2011 relate to nine standards and interpretations. They did not have a significant effect on the Group financial statements.

Condensed Consolidated Income Statement

EUR million	Q1/11	Q4/10	Q1/10	2010	Change % Q1/11-Q1/10	Change % Q1/11-Q4/10
Sales	**2 726.9**	**2 685.2**	**2 295.9**	**10 296.9**	**18.8**	**1.6**
Other operating income	57.0	54.3	34.3	159.1	66.2	5.0
Materials and services	-1 668.2	-1 747.8	-1 428.1	-6 391.4	-16.8	4.6
Freight and sales commissions	-257.1	-253.7	-225.2	-1 010.1	-14.2	-1.3
Personnel expenses	-343.2	-374.8	-329.0	-1 375.3	-4.3	8.4
Other operating expenses	-143.3	-102.1	-112.0	-482.2	-27.9	-40.4
Share of results of equity accounted investments	20.0	54.1	19.1	112.5	4.7	-63.0
Depreciation and impairment	-154.9	95.7	-131.6	-282.7	-17.7	-261.9
Operating Profit	**237.2**	**410.9**	**123.4**	**1 026.8**	**92.2**	**-42.3**
Net financial items	-51.2	-21.7	-5.5	-100.9	n/m	-135.9
Profit before Tax	**186.0**	**389.2**	**117.9**	**925.9**	**57.8**	**-52.2**
Income tax	-30.1	-76.2	-15.8	-156.6	-90.5	60.5
Net Profit for the Period	**155.9**	**313.0**	**102.1**	**769.3**	**52.7**	**-50.2**
Attributable to:						
Owners of the Parent	155.6	312.2	101.5	766.0	53.3	-50.2
Non-controlling interests	0.3	0.8	0.6	3.3	-50.0	-62.5
	155.9	**313.0**	**102.1**	**769.3**	**52.7**	**-50.2**
Earnings per Share						
Basic earnings per share, EUR	0.20	0.39	0.13	0.97	53.8	-48.7
Diluted earnings per share, EUR	0.20	0.39	0.13	0.97	53.8	-48.7

Consolidated Statement of Comprehensive Income

EUR million	Q1/11	Q4/10	Q1/10	2010
Net profit for the period	155.9	313.0	102.1	769.3
Other Comprehensive Income				
Actuarial losses on defined benefit plans	-	-30.1	-	-32.5
Available for sale financial assets	8.1	94.8	-16.6	95.9
Currency and commodity hedges	-3.1	4.6	23.9	107.7
Share of other comprehensive income of equity accounted investments	3.0	8.8	-0.3	9.2
Currency translation movements on equity net investments (CTA)	-52.2	71.4	144.3	305.6
Currency translation movements on non-controlling interests	-1.9	1.6	1.1	5.1
Net investment hedges	3.5	-2.0	-8.1	-9.8
Income tax relating to components of other comprehensive income	0.3	11.1	-4.7	-13.4
Other Comprehensive Income, net of tax	**-42.3**	**160.2**	**139.6**	**467.8**
Total Comprehensive Income	**113.6**	**473.2**	**241.7**	**1 237.1**
Total Comprehensive Income Attributable to:				
Owners of the Parent	115.2	470.7	240.1	1 228.7
Non-controlling interests	-1.6	2.5	1.6	8.4
	113.6	**473.2**	**241.7**	**1 237.1**

Condensed Consolidated Statement of Cash Flows

EUR million	Q1/11	Q1/10
Cash Flow from Operating Activities		
Operating profit	237.2	123.4
Hedging result from OCI	-5.0	15.0
Adjustments for non-cash items	104.6	101.2
Change in net working capital	-205.9	-123.0
Cash Flow Generated by Operations	**130.9**	**116.6**
Net financials items paid	-71.4	-5.7
Income taxes paid, net	-47.3	-5.5
Net Cash Provided by Operating Activities	**12.2**	**105.4**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries	-	-0.8
Acquisitions of equity accounted investments	-13.9	-7.1
Proceeds from sale of fixed assets and shares	9.4	10.8
Capital expenditure	-57.3	-112.8
Proceeds of the non-current receivables, net	3.1	3.6
Net Cash Used in Investing Activities	**-58.7**	**-106.3**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	19.0	71.6
Long-term debt, payments	-15.4	-172.3
Change in short-term borrowings	52.3	79.3
Dividend to non-controlling interests	-1.2	-0.2
Net Cash Provided by/Used in Financing Activities	**54.7**	**-21.6**
Net Increase/Decrease in Cash and Cash Equivalents	**8.2**	**-22.5**
Translation adjustment	-3.7	9.8
Net cash and cash equivalents at the beginning of period	1 103.1	877.0
Net Cash and Cash Equivalents at Period End	**1 107.6**	**864.3**
Cash and Cash Equivalents at Period End	**1 115.0**	**865.1**
Bank Overdrafts at Period End	**-7.4**	**-0.8**
Net Cash and Cash Equivalents at Period End	**1 107.6**	**864.3**
Acquisitions of Subsidiary Companies		
Non-controlling interests	-	0.8
Fair Value of Net Assets	**-**	**0.8**
Goodwill	-	-
Total Purchase Consideration	**-**	**0.8**

Property, Plant and Equipment, Intangible Assets and Goodwill

EUR million	Q1/11	Q1/10	2010
Carrying value at 1 January	5 565.8	5 157.7	5 157.7
Acquisition of subsidiary companies	-	-	7.8
Capital expenditure	54.6	107.2	377.0
Additions in biological assets	2.7	5.6	23.4
Change in emission rights	59.9	50.0	15.7
Disposals	-8.2	-7.6	-25.1
Disposals of subsidiary companies	-	-	-0.8
Depreciation and impairment	-154.9	-131.6	-282.7
Translation difference and other	-14.3	143.6	292.8
Statement of Financial Position Total	**5 505.6**	**5 324.9**	**5 565.8**

Borrowings

EUR million	31 Mar 11	31 Dec 10	31 Mar 10
Non-current borrowings	3 320.7	3 259.2	3 042.4
Current borrowings	748.4	752.0	1 133.8
	4 069.1	**4 011.2**	**4 176.2**

	Q1/11	2010	Q1/10
Carrying value at 1 January	4 011.2	3 936.7	3 936.7
Debt acquired with new subsidiaries	-	0.8	-
Debt disposed with sold subsidiaries	-	-5.6	-
Proceeds/payments of borrowings (net)	67.8	-111.2	147.3
Translation difference and other	-9.9	190.5	92.2
Statement of Financial Position Total	**4 069.1**	**4 011.2**	**4 176.2**

Condensed Consolidated Statement of Financial Position

EUR million		31 Mar 11	31 Dec 10	31 Mar 10
Assets				
Fixed Assets and Other Non-current Investments				
Fixed assets	O	5 221.1	5 334.3	5 082.3
Biological assets	O	183.6	190.5	167.3
Emission rights	O	100.9	41.0	75.3
Equity accounted investments	O	1 725.4	1 744.0	1 572.0
Available-for-sale: Interest-bearing	I	79.0	78.7	75.7
Available-for-sale: Operative	O	888.6	879.4	759.7
Non-current loan receivables	I	125.0	126.5	160.4
Deferred tax assets	T	100.3	111.0	195.7
Other non-current assets	O	30.6	37.2	34.1
		8 454.5	**8 542.6**	**8 122.5**
Current Assets				
Inventories	O	1 596.7	1 474.6	1 332.7
Tax receivables	T	6.7	1.7	2.5
Operative receivables	O	1 713.5	1 621.8	1 433.6
Interest-bearing receivables	I	349.1	285.1	263.1
Cash and cash equivalents	I	1 115.0	1 110.9	865.1
		4 781.0	**4 494.1**	**3 897.0**
Assets of disposal group classified as held for sale		-	-	49.9
		4 781.0	**4 494.1**	**3 946.9**
Total Assets		**13 235.5**	**13 036.7**	**12 069.4**
Equity and Liabilities				
Owners of the Parent		6 318.1	6 202.9	5 206.6
Non-controlling Interests		49.0	51.8	58.8
Total Equity		**6 367.1**	**6 254.7**	**5 265.4**
Non-current Liabilities				
Post-employment benefit provisions	O	319.0	320.5	330.3
Other provisions	O	150.3	148.6	186.8
Deferred tax liabilities	T	415.9	422.6	421.7
Non-current debt	I	3 320.7	3 259.2	3 042.4
Other non-current operative liabilities	O	34.5	62.0	16.6
		4 240.4	**4 212.9**	**3 997.8**
Current Liabilities				
Current portion of non-current debt	I	228.3	303.5	696.4
Interest-bearing liabilities	I	520.1	448.5	437.4
Operative liabilities	O	1 779.9	1 697.1	1 510.1
Tax liabilities	T	99.7	120.0	127.4
		2 628.0	**2 569.1**	**2 771.3**
Liability directly associated with the assets classified as held for sale		-	-	34.9
		2 628.0	**2 569.1**	**2 806.2**

Total Liabilities	**6 868.4**	**6 782.0**	**6 804.0**
Total Equity and Liabilities	**13 235.5**	**13 036.7**	**12 069.4**

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

Statement of Changes in Equity EUR million	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Step Acquisition Revaluation Surplus	Available for Sale Financial Assets	Currency and Commodity Hedges	Currency and Commodity Hedges of Equity Accounted Investments	CTA and Net Investment Hedges	Retained Earnings	Attributable to Owners of the Parent	Non-controlling Interests	Total
Balance at 31 December 2009	**1 342.2**	**76.6**	**2 042.1**	**-10.2**	**3.9**	**684.2**	**-0.8**	**-19.0**	**-194.6**	**1 199.9**	**5 124.3**	**58.2**	**5 182.5**
Profit for the period	-	-	-	-	-	-	-	-	-	101.5	101.5	0.6	102.1
OCI before tax	-	-	-	-	-	-16.6	23.9	-0.3	136.2	-	143.2	1.1	144.3
Income tax relating to components of OCI	-	-	-	-	-	-0.6	-6.2	-	2.1	-	-4.7	-	-4.7
Total Comprehensive Income	-	-	-	-	-	-17.2	17.7	-0.3	138.3	101.5	240.0	1.7	241.7
Distribution relating to 2009	-	-	-	-	-	-	-	-	-	-	-	-0.2	-0.2
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	-0.9	-0.9
Return of capital (EUR 0.20 per share)	-	-	-157.7	-	-	-	-	-	-	-	-157.7	-	-157.7
Transfer to retained earnings	-	-	-1 251.3	-	-	-	-	-	-	1 251.3	-	-	-
Balance at 31 March 2010	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**667.0**	**16.9**	**-19.3**	**-56.3**	**2 552.7**	**5 206.6**	**58.8**	**5 265.4**
Profit for the period	-	-	-	-	-	-	-	-	-	664.5	664.5	2.7	667.2
OCI before tax	-	-	-	-	-	112.5	83.8	9.5	159.6	-32.5	332.9	4.0	336.9
Income tax relating to components of OCI	-	-	-	-	-	0.5	-22.8	-	0.4	13.2	-8.7	-	-8.7
Total Comprehensive Income	-	-	-	-	-	113.0	61.0	9.5	160.0	645.2	988.7	6.7	995.4
Distribution relating to 2009	-	-	-	-	-	-	-	-	-	-	-	-1.0	-1.0
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	-5.1	-5.1
Buy-out of non-controlling interest	-	-	-	-	-	-	-	-	-	7.6	7.6	-7.6	-
Balance at 31 December 2010	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**780.0**	**77.9**	**-9.8**	**103.7**	**3 205.5**	**6 202.9**	**51.8**	**6 254.7**
Profit for the period	-	-	-	-	-	-	-	-	-	155.6	155.6	0.3	155.9
OCI before tax	-	-	-	-	-	8.1	-3.1	3.0	-48.7	-	-40.7	-1.9	-42.6
Income tax relating to components of OCI	-	-	-	-	-	0.3	0.9	-	-0.9	-	0.3	-	0.3
Total Comprehensive Income	-	-	-	-	-	8.4	-2.2	3.0	-49.6	155.6	115.2	-1.6	113.6
Distribution relating to 2010	-	-	-	-	-	-	-	-	-	-	-	-1.2	-1.2
Balance at 31 March 2011	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**788.4**	**75.7**	**-6.8**	**54.1**	**3 361.1**	**6 318.1**	**49.0**	**6 367.1**

CTA = Cumulative Translation Adjustment
OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	31 Mar 11	31 Dec 10	31 Mar 10
On Own Behalf			
Mortgages	5.2	5.2	25.5
On Behalf of Equity Accounted Investments			
Guarantees	137.6	154.6	180.0
On Behalf of Others			
Guarantees	102.1	108.3	128.4
Other Commitments, Own			
Operating leases, in next 12 months	33.6	32.3	26.7
Operating leases, after next 12 months	88.4	88.3	75.2
Pension liabilities	0.4	0.4	0.1
Other commitments	96.9	94.8	36.2
Total	**464.2**	**483.9**	**472.1**
Mortgages	5.2	5.2	25.5
Guarantees	239.7	262.9	308.4
Operating leases	122.0	120.6	101.9
Pension liabilities	0.4	0.4	0.1
Other commitments	96.9	94.8	36.2
Total	**464.2**	**483.9**	**472.1**

Purchase Agreement Commitments

EUR million		Scheduled Contract Payments			
Type of Supply	**Contract Total**	**Q2-Q4/2011**	**2012-2013**	**2014-2015**	**2016+**
Fibre	1 606.4	220.4	446.9	427.0	512.1
Energy	1 656.5	281.5	413.7	375.0	586.3
Logistics	394.5	47.4	96.0	75.8	175.3
Other production costs	726.6	87.4	83.5	29.6	526.1
Capital Expenditure	35.4	25.6	9.8	-	-
Total Contractual Commitments at 31 March 2011	**4 419.4**	**662.3**	**1 049.9**	**907.4**	**1 799.8**

Fair Values of Derivative Financial Instruments

EUR million	31 Mar 11			31 Dec 10	31 Mar 10
	Positive Fair Values	**Negative Fair Values**	**Net Fair Values**	**Net Fair Values**	**Net Fair Values**
Interest rate swaps	157.4	-32.8	124.6	135.4	185.0
Interest rate options	0.5	-27.9	-27.4	-35.3	-29.3
Forward contracts	66.9	-46.0	20.9	47.6	50.3
Currency options	48.0	-7.5	40.5	22.1	2.5
Commodity contracts	28.7	-12.0	16.7	11.6	-28.9
Equity swaps ("TRS")	25.0	-6.3	18.7	13.8	-0.3
Total	**326.5**	**-132.5**	**194.0**	**195.2**	**179.3**

Nominal Values of Derivative Financial Instruments

EUR million	31 Mar 11	31 Dec 10	31 Mar 10
Interest Rate Derivatives			
Interest rate swaps			
Maturity under 1 year	781.8	827.5	543.0
Maturity 2–5 years	1 568.0	2 569.8	2 442.8
Maturity 6–10 years	768.7	804.7	920.3
	3 118.5	4 202.0	3 906.1
Interest rate options	547.7	601.0	508.9
Total	**3 666.2**	**4 803.0**	**4 415.0**
Foreign Exchange Derivatives			
Forward contracts	2 287.0	2 333.1	2 028.6
Currency options	2 502.6	2 683.4	1 676.7
Total	**4 789.6**	**5 016.5**	**3 705.3**
Commodity Derivatives			
Commodity contracts	279.6	297.6	345.7
Total	**279.6**	**297.6**	**345.7**
Total Return (Equity) Swaps			
Equity swaps ("TRS")	73.3	83.1	104.7
Total	**73.3**	**83.1**	**104.7**

Sales by Segment

EUR million	Q1/11	2010	Q4/10	Q3/10	Q2/10	Q1/10
Consumer Board	647.0	2 314.7	611.5	593.8	586.3	523.1
Industrial Packaging	243.4	949.5	241.7	225.4	259.2	223.2
Newsprint and Book Paper	314.5	1 261.6	326.2	322.9	325.1	287.4
Magazine Paper	482.0	2 054.2	547.5	541.0	530.2	435.5
Fine Paper	563.3	2 125.7	533.5	563.3	554.4	474.5
Wood Products	409.7	1 588.7	410.3	424.1	422.7	331.6
Other	723.3	2 524.6	627.3	623.4	648.6	625.3
Inter-segment sales	-656.3	-2 522.1	-612.8	-670.3	-634.3	-604.7
Total	**2 726.9**	**10 296.9**	**2 685.2**	**2 623.6**	**2 692.2**	**2 295.9**

Operating Profit/Loss by Segment excluding NRI and Fair Valuations

EUR million	Q1/11	2010	Q4/10	Q3/10	Q2/10	Q1/10
Consumer Board	95.8	277.1	52.1	77.6	76.9	70.5
Industrial Packaging	19.4	65.5	22.0	18.7	17.1	7.7
Newsprint and Book Paper	26.0	-10.8	-2.7	0.1	-6.6	-1.6
Magazine Paper	28.2	90.9	19.5	45.5	22.0	3.9
Fine Paper	79.9	259.4	67.6	70.9	79.4	41.5
Wood Products	11.8	70.9	10.2	25.2	30.1	5.4
Other	-28.2	-65.9	-22.3	-4.9	-16.5	-22.2
Operating Profit excl. NRI by Segment	**232.9**	**687.1**	**146.4**	**233.1**	**202.4**	**105.2**
Share of results of equity accounted investments excl. fair valuations	15.1	67.0	20.4	21.9	10.5	14.2
Operating Profit excl. NRI and Fair Valuations*	**248.0**	**754.1**	**166.8**	**255.0**	**212.9**	**119.4**
Fair valuations*	16.4	92.5	41.9	16.5	11.2	22.9
Operating Profit excl. NRI	**264.4**	**846.6**	**208.7**	**271.5**	**224.1**	**142.3**
NRI	-27.2	180.2	202.2	5.4	-8.5	-18.9
Operating Profit (IFRS)	**237.2**	**1 026.8**	**410.9**	**276.9**	**215.6**	**123.4**
Net financial items	-51.2	-100.9	-21.7	-51.1	-22.6	-5.5
Profit before Tax and Non-controlling Interests	**186.0**	**925.9**	**389.2**	**225.8**	**193.0**	**117.9**
Income tax expense	-30.1	-156.6	-76.2	-31.5	-33.1	-15.8
Net Profit	**155.9**	**769.3**	**313.0**	**194.3**	**159.9**	**102.1**

** Fair valuations include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, and valuations of biological assets related to forest assets in equity accounted investments.*

Equity Accounted Investments in the Income Statement

EUR million	Q1/11	2010	Q4/10	Q1/10
Share of results in equity accounted investments excl. fair valuations and NRI	15.1	67.0	20.4	14.2
Fair valuations in equity accounted investments	4.9	60.8	49.0	4.9
NRI related to equity accounted investments	-	-15.3	-15.3	-
Equity Accounted Investments in Operating Profit	**20.0**	**112.5**	**54.1**	**19.1**
Equity accounted investments share of taxes	-6.5	-40.6	-25.1	-4.2
Equity Accounted Investments in Net Profit	**13.5**	**71.9**	**29.0**	**14.9**

NRI by Segment

EUR million	Q1/11	2010	Q4/10	Q3/10	Q2/10	Q1/10
Consumer Board	-	217.4	167.6	49.8	-	-
Industrial Packaging	-	-21.5	-5.0	-	-3.3	-13.2
Newsprint and Book Paper	-1.7	-58.5	-1.1	-44.4	-13.0	-
Magazine Paper	3.4	2.4	-1.1	-	9.2	-5.7
Fine Paper	-	68.9	60.4	-	8.5	-
Wood Products	-28.9	4.0	1.9	-	0.5	1.6
Other	-	-32.5	-20.5	-	-10.4	-1.6
NRI on Operating Profit	**-27.2**	**180.2**	**202.2**	**5.4**	**-8.5**	**-18.9**
NRI on tax	7.8	-37.9	-37.9	-	-	-
NRI on Net Profit	**-19.4**	**142.3**	**164.3**	**5.4**	**-8.5**	**-18.9**

Operating Profit/Loss by Segment

EUR million	Q1/11	2010	Q4/10	Q3/10	Q2/10	Q1/10
Consumer Board	95.8	494.5	219.7	127.4	76.9	70.5
Industrial Packaging	19.4	44.0	17.0	18.7	13.8	-5.5
Newsprint and Book Paper	24.3	-69.3	-3.8	-44.3	-19.6	-1.6
Magazine Paper	31.6	93.3	18.4	45.5	31.2	-1.8
Fine Paper	79.9	328.3	128.0	70.9	87.9	41.5
Wood Products	-17.1	74.9	12.1	25.2	30.6	7.0
Other	-16.7	-51.4	-34.6	9.1	-20.1	-5.8
Share of results of equity accounted investments	20.0	112.5	54.1	24.4	14.9	19.1
Operating Profit (IFRS)	**237.2**	**1 026.8**	**410.9**	**276.9**	**215.6**	**123.4**
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Net Profit	**155.9**	**769.3**	**313.0**	**194.3**	**159.9**	**102.1**

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	31 March 11	**31 Dec 10**	**31 March 11**	**31 Dec 10**
SEK	8.9329	8.9655	8.8661	9.5464
USD	1.4207	1.3362	1.3685	1.3272
GBP	0.8837	0.8608	0.8538	0.8583

Transaction Risk and Hedges in Main Currencies as at 31 March 2011

EUR million	USD	GBP	SEK
Estimated annual net operating cash flow exposure	1 080	580	-1 100
Transaction hedges as at 31 March 2011	-510	-250	590
Hedging percentage as at 31 March 2011 for the next 12 months	**47%**	**43%**	**54%**

Changes in Exchange Rates on Operating Profit

Operating Profit: Currency strengthening of + 10%	EUR million
USD	108
SEK	-110
GBP	58

The sensitivity is based on estimated net operating cash flow in next 12 months. The calculation does not take into account currency hedges, and assumes no changes occur other than a single currency exchange rate movement. Weakening would have the opposite impact.

Stora Enso Shares

Trading volume	Helsinki		Stockholm	
	A share	**R share**	**A share**	**R share**
January	272 642	96 881 420	489 105	27 779 373
February	180 902	92 496 749	184 196	20 591 765
March	168 723	100 248 248	260 275	21 644 601
Total	**622 267**	**289 626 417**	**933 576**	**70 015 739**

Closing Price	Helsinki, EUR		Stockholm, SEK	
	A share	**R share**	**A share**	**R share**
January	9.30	8.69	82.45	76.80
February	8.46	8.17	73.85	71.25
March	8.56	8.41	77.45	75.35

Calculation of Key Figures

Return on capital employed, ROCE (%) 100 x $\frac{\text{Operating profit}}{\text{Capital employed}^{1)\,2)}}$

Return on operating capital, ROOC (%) 100 x $\frac{\text{Operating profit}}{\text{Operating capital}^{1)\,2)}}$

Return on equity, ROE (%) 100 x $\frac{\text{Profit before tax and non-controlling items – taxes}}{\text{Total equity}^{2)}}$

Equity ratio (%) 100 x $\frac{\text{Total equity}}{\text{Total assets}}$

Interest-bearing net liabilities: Interest-bearing liabilities – interest-bearing assets

Debt/equity ratio: $\frac{\text{Interest-bearing net liabilities}}{\text{Equity}}$

CEPS: $\frac{\text{Net profit/loss for the period}^{3)} - \text{Fixed asset depreciation and impairment}}{\text{Average number of shares}}$

EPS: $\frac{\text{Net profit/loss for the period}^{3)}}{\text{Average number of shares}}$

1) Capital employed = Operating capital – Net tax liabilities
2) Average for the financial period
3) Attributable to owners of the Parent

For further information, please contact:
Jouko Karvinen, CEO, tel. +358 2046 21410
Markus Rauramo, CFO, tel. +358 2046 21121
Ulla Paajanen-Sainio, Head of Investor Relations, tel. +358 2046 21242
Lauri Peltola, Head of Communications and Global Responsibility, tel. +358 2046 21380

Stora Enso's second quarter 2011 results will be published on 21 July 2011 at 13.00 EET.

PRESS CONFERENCE IN HELSINKI

Time:	13.15 local time today
Location:	Marina Congress Center, Helsinki
Address:	Katajanokanlaituri 6
Hosts:	Jouko Karvinen, CEO
	Markus Rauramo, CFO

The conference will be held in Finnish. Questions can be addressed to Jouko Karvinen and Markus Rauramo after the presentation.

ANALYST CONFERENCE CALL
CEO Jouko Karvinen and CFO Markus Rauramo will be hosting a combined conference call and webcast today at 14.30 Finnish time (13.30 CET, 12.30 UK time, 07.30 US Eastern time).

If you wish to participate, please dial:

+44 (0)20 7806 1955	Continental Europe and the UK
+358 (0)9 7251 9036	Finland
+46 (0)8 5352 6407	Sweden
+1 212 444 0413	USA
Access code:	5372314#

The live webcast may be accessed at www.storaenso.com/investors

Stora Enso is the global rethinker of the packaging, paper and wood products industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials. Stora Enso employs some 26 000 people worldwide, and our sales in 2010 amounted to EUR 10.3 billion. Stora Enso shares are listed on NASDAQ OMX Helsinki (STEAV, STERV) and Stockholm (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY) in the International OTCQX over-the-counter market.

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