

Stock Exchange Release

8 February 2011 at 13.00 EET

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STORA ENSO OYJ ANNUAL FINANCIAL STATEMENT RELEASE 8 February 2011 at 13.00 EET

Stora Enso Fourth Quarter and Full Year Results 2010

Another solid quarter finishing a strong year, dividend increase to EUR 0.25 proposed

- **EUR 167 million quarterly operating profit excluding NRI and fair valuations, up by EUR 29 million, 21% year-on-year, EBITDA excluding NRI and fair valuations up by 27%.**
- **EUR 754 million full year operating profit excluding NRI and fair valuations, up by EUR 434 million, 135%, EBITDA excluding NRI and fair valuations up by 51%.**
- **Maintenance costs were EUR 34 million higher in Q4 2010 than Q3 2010. Volumes lost due to maintenance decreased operating profit by EUR 20 million.**
- **Cost inflation forecast to be 3% for the full year 2011, primarily in the first half of the year, own actions targeted to compensate all of it.**
- **Strong pricing momentum continues, especially in newsprint and magazine paper.**
- **Operating profit excluding NRI and fair valuations is expected to be sequentially higher in Q1 2011.**

Summary of Fourth Quarter Results

		Q4/10	2010	Q4/09	2009
Sales	EUR million	2 685.2	10 296.9	2 398.8	8 945.1
EBITDA excl. NRI and fair valuations	EUR million	288.8	1 216.5	227.2 ⁽¹⁾	807.8 ⁽¹⁾
Operating Profit excl. NRI and Fair Valuations	EUR million	166.8	754.1	137.5	320.5
Operating profit/loss (IFRS)	EUR million	410.9	1 026.8	105.3	-607.6
Profit before tax excl. NRI	EUR million	187.0	745.7	122.7	194.2
Profit/loss before tax	EUR million	389.2	925.9	80.6	-886.8
Net profit excl. NRI	EUR million	148.7	627.0	76.0	153.2
Net profit/loss	EUR million	313.0	769.3	45.9	-878.2
EPS excl. NRI	EUR	0.19	0.79	0.09	0.19
EPS	EUR	0.39	0.97	0.05	-1.12
CEPS excl. NRI	EUR	0.37	1.46	0.29	0.92
ROCE excl. NRI	%	9.9	10.3	7.5	3.9
ROCE excl. NRI and fair valuations	%	7.9	9.2	7.0	3.9

1) See Key Figures table.

Fair valuations include synthetic options net of realised and open hedges, CO₂ 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.

Markets***Compared with Q4/2009***

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

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

Compared with Q3/2010

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

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

Stora Enso Deliveries and Production

	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10- Q4/09	Change % Q4/10- Q3/10	Change % 2010- 2009
Paper and board deliveries (1 000 tonnes)	2 724	2 717	2 744	10 758	10 174	-0.7	0.3	5.7
Paper and board production (1 000 tonnes)	2 665	2 686	2 587	10 812	10 036	3.0	-0.8	7.7
Wood products deliveries (1 000 m ³)	1 259	1 333	1 298	5 198	4 902	-3.0	-5.6	6.0
Corrugated packaging deliveries (million m ²)	271	250	255	1 027	966	6.3	8.4	6.3

Q4/2010 Results (compared with Q4/2009)

Sales at EUR 2 685 million were EUR 286 million higher than in the fourth quarter of 2009. Prices for the Group's products were generally higher, but newsprint and magazine paper prices in local currencies decreased. Volume recovery and favourable exchange rates also increased sales. Pulp delivery volumes and prices increased considerably.

Key Figures

EUR million	Q4/2010	Q3/10	Q4/2009	2010	2009	Change	Change	Change
						% Q4/10- Q4/09	% Q4/10- Q3/10	% 2010-2009
Sales	2 685.2	2 623.6	2 398.8	10 296.9	8 945.1	11.9	2.3	15.1
EBITDA excl. NRI and fair valuations	288.8	365.8	227.2 ⁽¹⁾	1 216.5	807.8 ⁽¹⁾	27.1	-21.0	50.6
Operating profit excl. NRI and fair valuations	166.8	255.0	137.5	754.1	320.5	21.3	-34.6	135.3
Operating margin excl. NRI and fair valuations, %	6.2	9.7	5.7	7.3	3.6	8.8	-36.1	102.8
Operating profit/loss (IFRS)	410.9	276.9	105.3	1 026.8	-607.6	290.2	48.4	269.0
Operating profit/loss, % of sales	15.3	10.6	4.4	10.0	-6.8	247.7	44.3	247.1
Profit/loss before tax excl. NRI	187.0	220.4	122.7	745.7	194.2	52.4	-15.2	284.0
Profit/loss before tax	389.2	225.8	80.6	925.9	-886.8	n/m	72.4	204.4
Net profit/loss for the period excl. NRI	148.7	188.9	76.0	627.0	153.2	95.7	-21.3	n/m
Net profit/loss for the period	313.0	194.3	45.9	769.3	-878.2	n/m	61.1	187.6
Capital expenditure	138.8	73.5	101.9	400.4	423.8	36.2	88.8	-5.5
Fixed asset depreciation and impairment charges excl. NRI	142.5	132.7	129.3	529.4	548.7	10.2	7.4	-3.5
ROCE excl. NRI and fair valuations, %	7.9	12.4	7.0	9.2	3.9	12.9	-36.3	135.9
ROCE excl. NRI, %	9.9	13.2	7.5	10.3	3.9	32.0	-25.0	164.1
Earnings per share (EPS) excl. NRI, EUR	0.19	0.23	0.09	0.79	0.19	111.1	-17.4	n/m
EPS (basic), EUR	0.39	0.25	0.05	0.97	-1.12	n/m	56.0	186.6
Cash earnings per share (CEPS) excl. NRI, EUR	0.37	0.40	0.29	1.46	0.92	27.6	-7.5	58.7
CEPS, EUR	0.27	0.43	0.28	1.33	0.35	-3.6	-37.2	280.0
Return on equity (ROE), %	20.8	13.8	3.6	13.5	-16.2	n/m	50.7	183.3
Debt/equity ratio	0.39	0.43	0.51	0.39	0.51	-23.5	-9.3	-23.5
Equity per share, EUR	7.87	7.27	6.50	7.87	6.50	21.1	8.3	21.1
Equity ratio, %	48.0	45.8	44.7	48.0	44.7	7.4	4.8	7.4
Average number of employees	26 535	27 785	27 612	27 383	28 696	-3.9	-4.5	-4.6
Average number of shares (million)								
periodic	788.6	788.6	788.6	788.6	788.6	0.0	0.0	0.0
cumulative	788.6	788.6	788.6	788.6	788.6	0.0	0.0	0.0
cumulative, diluted	788.6	788.6	788.6	788.6	788.6	0.0	0.0	0.0

1) Restated (decreased EUR 14.9 million), no impact on other reported profit figures.

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 synthetic options net of realised and open hedges, CO₂ emission rights, and valuations of biological assets related to forest assets in equity accounted investments.

Reconciliation of Operating Profit

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10- Q4/09	Change % Q4/10- Q3/10	Change % 2010- 2009
Profit/loss from operations, excl. NRI	146.4	233.1	101.7	687.1	259.1	44.0	-37.2	165.2
Equity accounted investments, operational, excl. NRI and fair valuations	20.4	21.9	35.8	67.0	61.4	-43.0	-6.8	9.1
Operating Profit excl. NRI and Fair Valuations	166.8	255.0	137.5	754.1	320.5	21.3	-34.6	135.3
Fair valuations	41.9	16.5	9.9	92.5	4.4	n/m	153.9	n/m
Operating Profit/Loss, excl. NRI	208.7	271.5	147.4	846.6	324.9	41.6	-23.1	160.6
NRI	202.2	5.4	-42.1	180.2	-932.5	n/m	n/m	119.3
Operating Profit/Loss (IFRS)	410.9	276.9	105.3	1 026.8	-607.6	290.2	48.4	269.0

Q4/2010 Results (compared with Q4/2009)*(continued)*

Operating profit at EUR 167 million excluding non-recurring items and fair valuations was EUR 29 million higher than a year ago. This represents an operating margin of 6%.

Price increases in local currencies and a favourable product mix increased operating profit by EUR 117 million. Higher volumes increased operating profit by EUR 44 million. Paper and board production was curtailed by 7% (15%) and sawnwood production by 7% (15%) of capacity.

Higher costs for pulp, fibre, chemicals and corrugated raw materials decreased operating profit, but early cost saving and efficiency improvement measures partially compensated the cost increases. The net impact of the increase in variable and fixed costs in local currencies was a negative EUR 113 million. Market pulp had a positive net impact of EUR 12 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 significantly offset by the unfavourable impact of exchange rates on costs, especially due to the Swedish krona, the net impact being some EUR 12 million, after hedges.

Depreciation increased by EUR 13 million, partly due to the reversal of previous impairments.

The share of the operational results of equity accounted investments amounted to EUR 20 (EUR 36) million, with the largest contribution from Bergvik Skog.

The Group recorded a net positive EUR 202 million of non-recurring items at operating profit level in the fourth quarter of 2010. Following the fixed asset impairment testing undertaken in the fourth quarter of 2010, the Group recorded a net reversal of impairments of EUR 238 million. The Group also recorded a negative non-cash NRI of approximately EUR 15 million related to permanent impairment of certain shares in equity accounted investments and a negative NRI with cash impact of EUR 21 million following the Finnish Supreme Court ruling on performance-based rewards that had been withheld because of illegal strikes.

Net financial items were EUR -22 (EUR -25) million. Net interest expenses increased from EUR 21 million to EUR 26 million.

Group capital employed was EUR 8 665 million on 31 December 2010, a net increase of EUR 888 million due to the impairment reversal, strengthening of the Swedish krona and Brazilian real, and PVO valuation.

January–December 2010 Results (compared with the same period in 2009)

Sales increased by EUR 1 352 million year-on-year to EUR 10 297 million. Operating profit excluding non-recurring items and fair valuations was EUR 434 million higher than a year ago at EUR 754 million. Higher volumes improved operating profit by EUR 332 million, and the improved product mix and price increases in local currencies improved operating profit by EUR 183 million, more than compensating for EUR 147 million increases in costs. The favourable impact of exchange rates on sales was partially offset by the unfavourable impact of exchange rates on costs, the net impact being EUR 57 million positive.

Q4/2010 Results (compared with Q3/2010)

Sales were slightly up by EUR 62 million on the previous quarter. Operating profit excluding non-recurring items and fair valuations was EUR 88 million lower than in the previous quarter at EUR 167 million, as higher sales prices in local currencies did not fully compensate for higher costs, especially for maintenance, and somewhat lower volumes. Maintenance costs were EUR 34 million higher in the fourth quarter of 2010 than the third quarter of 2010. Volumes lost due to maintenance decreased operating profit by EUR 20 million. Exchange rates were unfavourable. Quarterly depreciation increased by EUR 7 million as a result of the reversal of impairments completed during the fourth quarter of 2010. Group capital employed was EUR 8 665 million on 31 December 2010, a net increase of EUR 438 million.

Capital Structure

EUR million	31 Dec 10	30 Sep 10	30 June 10	31 Mar 10	31 Dec 09
Operative fixed assets	6 445.2	6 065.7	6 068.4	6 084.6	5 936.2
Equity accounted investments	1 744.0	1 656.7	1 687.1	1 572.0	1 481.3
Operative working capital	1 399.3	1 389.5	1 323.2	1 256.2	1 171.2
Non-current interest-free items, net	-493.9	-474.3	-519.2	-499.6	-498.1
Operating Capital Total	9 094.6	8 637.6	8 559.5	8 413.2	8 090.6
Net tax liabilities	-429.9	-411.2	-356.4	-350.9	-314.3
Capital Employed	8 664.7	8 226.4	8 203.1	8 062.3	7 776.3
Equity attributable to Company shareholders	6 202.9	5 731.3	5 457.1	5 206.6	5 124.3
Non-controlling interests	51.8	50.3	52.7	58.8	58.2
Net interest-bearing liabilities	2 410.0	2 444.8	2 698.0	2 811.9	2 593.8
Held for sale	-	-	-4.7	-15.0	-
Financing Total	8 664.7	8 226.4	8 203.1	8 062.3	7 776.3

Financing Q4/2010 (compared with Q3/2010)

Cash flow from operations remained strong at EUR 265 (EUR 304) million. Capital expenditure was EUR 139 million in the fourth quarter. Cash flow after investing activities was EUR 126 (EUR 230) million. At the end of the period, interest-bearing net liabilities of the Group were EUR 2 410 million, a decrease of EUR 35 million. In December 2010 the entire USD 421 million bond maturing in 2011 was repurchased.

Total unutilised committed credit facilities were unchanged at EUR 1 400 million, and cash and cash equivalents net of overdrafts remained strong at EUR 1 103 million, which is EUR 18 million less than for the previous quarter. In addition, Stora Enso has access to various long-term sources of funding up to EUR 700 million. In November 2010 Stora Enso tapped two five-year bonds for a total of SEK 1 500 million under its EMTN (Euro Medium Term Note) programme. There are no financial covenants in the new debt. 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.

The debt/equity ratio at 31 December 2010 was 0.39 (0.43). The currency effect on owners' equity was positive EUR 70 million net of the hedging of equity translation risks. The fair valuations of operative securities, mainly related to the unlisted Finnish power supply company Pohjolan Voima, included within available-for-sale assets increased equity by EUR 94 million.

Cash Flow

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change %	Change %	Change %
						Q4/10– Q4/09	Q4/10– Q3/10	
Operating profit/loss	410.9	276.9	105.3	1 026.8	-607.6	290.2	48.4	269.0
Depreciation and other non-cash items	-130.3	100.2	101.1	172.4	1 262.0	-228.9	-230.0	-86.3
Change in working capital	-16.1	-73.2	289.1	-207.1	606.5	-105.6	78.0	-134.1
Cash Flow from Operations	264.5	303.9	495.5	992.1	1 260.9	-46.6	-13.0	-21.3
Capital expenditure	-138.8	-73.5	-101.9	-400.4	-423.7	-36.2	-88.8	5.5
Cash Flow after Investing Activities	125.7	230.4	393.6	591.7	837.2	-68.1	-45.4	-29.3

Capital Expenditure for January–December 2010

Capital expenditure for 2010 totalled EUR 400 million, which is 76% 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.

The main projects during 2010 were power plants and energy-related projects at existing mills (EUR 142 million) and development of existing production (EUR 85 million).

Short-term Risks and Uncertainties

The main short-term risks and uncertainties are related to lower demand due to increasing prices, foreign exchange volatility, the effects of possible increases in raw material costs and possible decreases in pulp market prices.

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 14 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 234 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 49 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 110 million, negative EUR 110 million and positive EUR 60 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.

Near-term Outlook

Demand for newsprint is expected to be slightly weaker in Europe but unchanged on a year ago in overseas markets. In Europe demand for coated magazine paper is forecast to be slightly stronger and demand for uncoated magazine paper stronger than a year ago.

Demand for fine paper is predicted to be similar to a year ago, although seasonally slightly stronger than in the fourth quarter of 2010. Demand for consumer board is expected to be stronger and demand for industrial packaging slightly stronger than a year ago. Demand for wood products is anticipated to be slightly stronger than a year ago but slightly weaker than in the fourth quarter of 2010.

Newsprint prices in euros in the first half of 2011 are expected to be similar to 2009 levels in Europe and significantly higher than 2009 levels in overseas markets. With the majority of biannual magazine paper contracts signed, magazine paper sales prices in local currencies are expected to be higher in the first half of 2011 than the previous quarter.

Fine paper prices are predicted to be similar to the previous quarter. Consumer board and industrial packaging prices are forecast to be slightly higher than in the previous quarter. Slightly lower prices for wood products than in the fourth quarter of 2010 are anticipated.

The political turmoil in North Africa and floods in Australia are expected to have a negative impact on the earnings capability of Wood Products in the first quarter of 2011.

Group operating profit excluding NRI and fair valuations is anticipated to be higher in the first quarter of 2011 than the fourth quarter of 2010 due to the improved cost position and prices.

The Group expects its cost inflation excluding internal actions to be 3% for the full year 2011, primarily in the first half of the year. Stora Enso's own actions are expected to compensate all of the effects of cost inflation. Actual cost inflation excluding internal actions was 2% for the full year 2010.

Fourth Quarter Events

In October Stora Enso announced that its joint venture with Neste Oil, NSE Biofuels Oy, would commence environmental impact assessments for a commercial-scale biorefinery at Porvoo and at Imatra in Finland. Stora Enso announced the appointments to its Nomination Board. The Group also announced that it had signed an agreement to acquire 51% of the Chinese packaging company Inpac International.

In November Stora Enso announced early redemption of its entire USD 421 million 2011 bond and successful tapping of its two five-year SEK bonds.

In December Stora Enso announced that it would be investing EUR 30 million in its newsprint machine at Sachsen Mill in Germany. Stora Enso also announced that it had refinanced its revolving credit facility.

Restructuring Actions

On 23 April 2009 Stora Enso announced that it was reorganising its operations with the aim of reducing annual fixed costs by EUR 250 million, mainly through savings in administration. All the cost reductions were achieved by the end of 2010. The final impact will be apparent in the Group's operating profit from 2011 onwards.

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. The ruling, if it stands on appeal, will also provide a strong legal basis to seek similar dismissals of other remaining civil cases. No provisions have been made in Stora Enso's accounts for these lawsuits.

Changes in Group Management

Elisabet Salander Björklund, Executive Vice President and a member of the Group Executive Team, relinquished her duties with Stora Enso on 31 August 2010.

On 13 August 2010 Stora Enso announced that it had appointed Lars Häggström as Head of Group Human Resources and member of the Group Executive Team, effective as of 1 October 2010. He reports to CEO Jouko Karvinen.

Personnel

On 31 December 2010 there were 26 379 employees in the Group, 1 011 less than at the end of 2009. The decrease is due to disposal of the Group's integrated mills at Kotka, earlier announced mill closures and the Next Step restructuring programme. The average number of employees in 2010 was 27 383, which was 1 313 less than the average number in 2009.

Share Capital

During the quarter, the conversion of 300 A shares into R shares was recorded in the Finnish trade register on 15 December 2010.

On 31 December 2010 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 919 317 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

In January 2011 Stora Enso announced that it would invest EUR 285 million in a new containerboard machine at Ostrołęka in Poland and 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. In January Stora Enso also announced that it would continue to grow in Building Solutions by investing EUR 23 million in constructing a CLT unit at Ybbs Sawmill in Austria.

Annual General Meeting

The Annual General Meeting (AGM) will be held at 16.00 (Finnish time) on Wednesday 20 April 2011 at Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

The decision proposals relating to the agenda of the AGM, shareholders' initiatives as well as the AGM notice will be available on Stora Enso Oyj's website at www.storaenso.com/agm. The annual report, the report of the Board of Directors and the auditor's report of Stora Enso Oyj will be published on Stora Enso's website at www.storaenso.com/investors during the week commencing Monday 21 February 2011. The proposals for decisions and the other above-mentioned documents will also be available at the AGM. Copies of these documents and the AGM notice will be sent to shareholders upon request. The minutes of the AGM will be available on Stora Enso Oyj's website at www.storaenso.com/agm from Wednesday 4 May 2011.

The Board of Directors' Proposal for the Distribution of Profit and the Payment of Dividend

The Board of Directors has decided to propose to the AGM that the Company distributes a dividend of EUR 0.25 per share for the year 2010.

The dividend shall be paid to shareholders that on the dividend record date, 27 April 2011, are recorded in

the shareholders' register maintained by Euroclear Finland Ltd or in the separate register of shareholders maintained by Euroclear Sweden AB for Euroclear Sweden registered shares. Dividends payable for Euroclear Sweden registered shares will be forwarded by Euroclear Sweden AB and paid in Swedish krona. Dividends payable to ADR holders will be forwarded by Deutsche Bank Trust Company Americas and paid in US dollars.

The Board of Directors proposes to the AGM that the dividend payment shall be issued by the Company on 11 May 2011.

This report is unaudited.

Helsinki, 8 February 2011
Stora Enso Oyj
Board of Directors

Segments Q4/10 compared with Q4/09

Newsprint and Book Paper

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10– Q4/09	Change % Q4/10– Q3/10	Change % 2010–2009
Sales	326.2	322.9	359.6	1 261.6	1 325.8	-9.3	1.0	-4.8
EBITDA*	20.6	23.6	63.3	80.6	228.2	-67.5	-12.7	-64.7
Operating loss/profit*	-2.7	0.1	41.3	-10.8	128.7	-106.5	n/m	-108.4
% of sales	-0.8	0.0	11.5	-0.9	9.7	-107.0	n/m	-109.3
ROOC, %**	-1.2	0.0	15.9	-1.1	11.9	-107.5	n/m	-109.2
Deliveries, 1 000 t	658	649	675	2 576	2 453	-2.5	1.4	5.0
Production, 1 000 t	619	653	651	2 554	2 451	-4.9	-5.2	4.2

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

Newsprint and book paper sales were EUR 326 million, down 9% on the fourth quarter of 2009. There was an operating loss of EUR 3million, which was a deterioration of EUR 44 million on the fourth quarter of 2009 as favourable exchange rates could not compensate for lower sales prices and higher RCP costs.

Volumes were slightly lower than a year ago 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 Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Newsprint	Europe	slightly stronger	stronger	significantly lower	stable
Newsprint	Overseas	weaker	stable	significantly higher	stable

Industry inventories were significantly lower than in the fourth quarter of 2009 and the previous quarter.

Magazine Paper

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10– Q4/09	Change % Q4/10– Q3/10	Change % 2010–2009
Sales	547.5	541.0	430.2	2 054.2	1 676.0	27.3	1.2	22.6
EBITDA*	47.5	71.1	28.8	191.9	145.3	64.9	-33.2	32.1
Operating profit/loss*	19.5	45.5	4.1	90.9	40.3	n/m	-57.1	125.6
% of sales	3.6	8.4	1.0	4.4	2.4	260.0	-57.1	83.3
ROOC, %**	5.7	13.7	1.3	7.1	3.1	n/m	-58.4	129.0
Deliveries, 1 000 t***	659	613	586	2 396	2 150	12.5	7.5	11.4
Production, 1 000 t***	618	616	551	2 398	2 110	12.2	0.3	13.6

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

Magazine Paper segment's sales were EUR 548 million, up 27% on the fourth quarter of 2009. Operating profit was EUR 20 million, up EUR 15 million on a year ago as higher paper and pulp volumes, higher pulp prices and the net favourable impact of exchange rates more than compensated for higher fibre costs. Pulp volumes were higher as Sunila Pulp Mill was temporarily shut down during most of the fourth quarter of 2009.

The major maintenance stoppages at Sunila Pulp Mill in Finland and Skutskär Pulp Mill in Sweden were completed as planned during the fourth quarter of 2010.

Markets

Product	Market	Demand Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Coated magazine paper	Europe	significantly stronger	significantly stronger	stable	stable
Coated magazine paper	Latin America	significantly stronger	significantly weaker	higher	slightly higher
Uncoated magazine paper	Europe	slightly stronger	significantly stronger	lower	stable
Uncoated magazine paper	China	significantly stronger	significantly stronger	higher	stable

Coated magazine paper inventories were higher than in the fourth quarter of 2009, but significantly lower than in the previous quarter. Uncoated magazine paper inventories were significantly lower than in the fourth quarter of 2009 and the previous quarter.

Fine Paper

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10- Q4/09	Change % Q4/10- Q3/10	Change % 2010-2009
Sales	533.5	563.3	492.0	2 125.7	1 823.9	8.4	-5.3	16.5
EBITDA*	90.6	90.8	44.7	344.5	134.5	102.7	-0.2	156.1
Operating profit/loss*	67.6	70.9	22.1	259.4	32.7	205.9	-4.7	n/m
% of sales	12.7	12.6	4.5	12.2	1.8	182.2	0.8	n/m
ROOC, %**	29.1	30.5	9.3	27.4	2.8	212.9	-4.6	n/m
Deliveries, 1 000 t***	621	665	694	2 596	2 538	-10.5	-6.6	2.3
Production, 1 000 t***	638	642	652	2 622	2 507	-2.1	-0.6	4.6

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

Fine paper sales were EUR 534 million, up 8% on the fourth quarter of 2009. Operating profit was EUR 68 million, up EUR 46 million on the previous year as the improved product mix due to restructuring, higher sales prices and higher volumes more than offset higher pulp and chemical costs. There were no annual maintenance stoppages in the fourth quarter of 2010.

Markets

Product	Market	Demand Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Coated fine paper	Europe	weaker	stable	higher	slightly higher
Coated fine paper	China	slightly stronger	slightly stronger	slightly lower	stable
Uncoated fine paper	Europe	slightly weaker	stable	significantly higher	slightly higher

Industry inventories for coated and uncoated fine paper were higher than in the fourth quarter of 2009 but slightly lower than in the previous quarter.

Consumer Board

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change %	Change %	Change %
						Q4/10- Q4/09	Q4/10- Q3/10	
Sales	611.5	593.8	505.0	2 314.7	1 895.9	21.1	3.0	22.1
EBITDA*	90.1	109.8	74.1	410.4	284.3	21.6	-17.9	44.4
Operating profit*	52.1	77.6	42.9	277.1	164.9	21.4	-32.9	68.0
% of sales	8.5	13.1	8.5	12.0	8.7	0.0	-35.1	37.9
ROOC, %**	14.9	24.1	14.5	21.1	13.7	2.8	-38.2	54.0
Deliveries, 1 000 t***	591	594	560	2 326	2 201	5.5	-0.5	5.7
Production, 1 000 t***	596	579	512	2 367	2 161	16.4	2.9	9.5

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

Consumer board sales were EUR 612 million, up 21% on the fourth quarter of 2009. Operating profit was EUR 52 million, up EUR 9 million on a year ago as higher board and pulp sales prices and volumes more than compensated for higher raw material and maintenance costs, and unfavourable exchange rates, especially appreciation of the Swedish krona. Impairment reversal increased depreciation by EUR 5 million.

Although the supply of birch pulpwood improved towards end of the year, pulp production was curtailed at Imatra Mills in Finland in October. The annual major maintenance stoppage at Skoghall Mill in Sweden was completed as planned during the fourth quarter of 2010.

Markets

Product	Market	Demand Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Consumer board	Europe	stronger	stable	higher	slightly higher

Industrial Packaging

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change %	Change %	Change %
						Q4/10- Q4/09	Q4/10- Q3/10	
Sales	241.7	225.4	220.6	949.5	815.5	9.6	7.2	16.4
EBITDA*	34.3	30.2	14.8	114.0	65.4	131.8	13.6	74.3
Operating profit*	22.0	18.7	2.9	65.5	17.6	n/m	17.6	272.2
% of sales	9.1	8.3	1.3	6.9	2.2	n/m	9.6	213.6
ROOC, %**	14.2	12.0	2.0	11.0	3.0	n/m	18.3	266.7
Paper and board deliveries, 1 000 t	195	196	229	864	832	-14.8	-0.5	3.8
Paper and board production, 1 000 t	194	196	221	871	807	-12.2	-1.0	7.9
Corrugated packaging deliveries, million m ²	271	250	255	1 027	966	6.3	8.4	6.3
Corrugated packaging production, million m ²	272	253	258	1 033	962	5.4	7.5	7.4

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

Industrial packaging sales were EUR 242 million, up 10% on the fourth quarter of 2009. Operating profit was EUR 22 million, up EUR 19 million on the previous year as higher sales prices and volumes for containerboard and corrugated packaging more than offset higher variable costs, especially for corrugated raw material. The laminating paper business was divested in summer 2010.

Markets

Product	Market	Demand Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Industrial packaging	Europe	stronger	stable	significantly higher	slightly higher

Wood Products

EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Change % Q4/10-Q4/09	Change % Q4/10-Q3/10	Change % 2010-2009
Sales	410.3	424.1	344.9	1 588.7	1 239.6	19.0	-3.3	28.2
EBITDA*	21.1	35.2	23.9	110.7	25.6	-11.7	-40.1	n/m
Operating profit/loss*	10.2	25.2	15.0	70.9	-8.0	-32.0	-59.5	n/m
% of sales	2.5	5.9	4.3	4.5	-0.6	-41.9	-57.6	n/m
ROOC, %**	6.8	16.8	10.4	12.3	-1.4	-34.6	-59.5	n/m
Deliveries, 1 000 m ³	1 223	1 299	1 298	5 057	4 902	-5.8	-5.9	3.2

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

Wood product sales were EUR 410 million, up 19% on the fourth quarter of 2009. Operating profit was EUR 10 million, down EUR 5 million on a year earlier as higher sales prices could not fully compensate for higher costs, especially wood costs.

Production was temporarily curtailed in the fourth quarter of 2010 to respond to seasonally weak demand and secure healthy inventory levels. However, the curtailments were less than a year ago. Eridomic Oy, a wooden building element manufacturer based at Pälkäne in Finland, was acquired in the fourth quarter of 2010, in line with the Wood Products Building Solutions growth strategy.

Markets

Product	Market	Demand Q4/10 compared with Q4/09	Demand Q4/10 compared with Q3/10	Price Q4/10 compared with Q4/09	Price Q4/10 compared with Q3/10
Wood products	Europe	stable	slightly weaker	significantly higher	slightly lower
Wood products	Asia, Middle East and North Africa	slightly stronger	slightly weaker	significantly higher	stable

Industry inventories were slightly higher than in the fourth quarter of 2009 and the previous quarter.

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 2009:

The following amendments to standards and interpretations were adopted from 1 January 2010 but had no impact on the Group financial statements;

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Additional Exemptions for First-time Adopters (Amendments).
- IFRS 2 Group Cash-settled Share-based Payment Arrangements clarifies the scope and the accounting for group cash-settled share-based payment transactions.
- IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (Amendment) clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

IFRIC 17 Distributions on Non-cash Assets to Owners provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

Condensed Consolidated Income Statement

						Change %	Change %	Change %
EUR million	Q4/10	Q3/10	Q4/09	2010	2009	Q4/10- Q4/09	Q4/10- Q3/10	2010- 2009
Sales	2 685.2	2 623.6	2 398.8	10 296.9	8 945.1	11.9	2.3	15.1
Other operating income	54.3	38.6	58.9	159.1	172.8	-7.8	40.7	-7.9
Materials and services	-1 747.8	-1 574.2	-1 529.4	-6 391.4	-5 668.1	-14.3	-11.0	-12.8
Freight and sales commissions	-253.7	-267.3	-218.4	-1 010.1	-833.6	-16.2	5.1	-21.2
Personnel expenses	-374.8	-309.7	-349.9	-1 375.3	-1 349.6	-7.1	-21.0	-1.9
Other operating expenses	-102.1	-119.8	-161.4	-482.2	-833.1	36.7	14.8	42.1
Share of results of equity accounted investments	54.1	24.4	77.6	112.5	111.8	-30.3	121.7	0.6
Depreciation and impairment	95.7	-138.7	-170.9	-282.7	-1 152.9	156.0	169.0	75.5
Operating Profit/Loss	410.9	276.9	105.3	1 026.8	-607.6	290.2	48.4	269.0
Net financial items	-21.7	-51.1	-24.7	-100.9	-279.2	12.1	57.5	63.9
Profit/Loss before Tax	389.2	225.8	80.6	925.9	-886.8	n/m	72.4	204.4
Income tax	-76.2	-31.5	-34.7	-156.6	8.6	-119.6	-141.9	n/m
Net Profit/Loss for the Period	313.0	194.3	45.9	769.3	-878.2	n/m	61.1	187.6
Attributable to:								
Owners of the Parent	312.2	193.2	46.1	766.0	-879.7	n/m	61.6	187.1
Non-controlling interests	0.8	1.1	-0.2	3.3	1.5	n/m	-27.3	120.0
	313.0	194.3	45.9	769.3	-878.2	n/m	61.1	187.6
Earnings per Share								
Basic earnings per share, EUR	0.39	0.25	0.05	0.97	-1.12	n/m	56.0	186.6
Diluted earnings per share, EUR	0.39	0.25	0.05	0.97	-1.12	n/m	56.0	186.6

Consolidated Statement of Comprehensive Income

EUR million	2010	2009
Net profit/loss for the period	769.3	-878.2
Other Comprehensive Income		
Actuarial gains and losses on defined benefit pension plans	-32.5	-20.4
Asset revaluation on step acquisition	-	3.9
Available for sale financial assets	95.9	180.3
Currency and commodity hedges	107.7	224.1
Share of other comprehensive income of equity accounted investments	9.2	-8.5
Currency translation movements on equity net investments (CTA)	305.6	252.6
Currency translation movements on non-controlling interests	5.1	5.9
Net investment hedges	-9.8	0.7
Income tax relating to components of other comprehensive income	-13.4	-65.0
Other Comprehensive Income, net of tax	467.8	573.6
Total Comprehensive Income	1 237.1	-304.6
Total Comprehensive Income Attributable to:		
Owners of the Parent	1 228.7	-312.0
Non-controlling interests	8.4	7.4
	1 237.1	-304.6

Condensed Consolidated Statement of Cash Flows

EUR million	2010	2009
Cash Flow from Operating Activities		
Operating profit/loss	1 026.8	-607.6
Hedging result from OCI	97.3	233.4
Adjustments for non-cash items	172.4	1 262.0
Change in net working capital	-271.7	638.0
Cash Flow Generated by Operations	1 024.8	1 525.8
Net financial items paid	-150.9	-220.3
Income taxes paid, net	-62.0	-3.0
Net Cash Provided by Operating Activities	811.9	1 302.5
Cash Flow from Investing Activities		
Acquisitions of subsidiaries	-13.0	-8.4
Acquisitions of equity accounted investments	-16.3	-128.5
Proceeds from sale of fixed assets and shares	24.2	98.0
Capital expenditure	-400.4	-423.7
Proceeds/payment of the non-current receivables, net	42.9	-24.2
Net Cash Used in Investing Activities	-362.6	-486.8
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	791.8	636.1
Long-term debt, payments	-1 180.6	-411.3
Change in short-term borrowings	318.5	-359.9
Capital repayments paid	-157.7	-157.7
Dividend to non-controlling interests	-1.2	-7.7
Net Cash Used in Financing Activities	-229.2	-300.5
Net Increase in Cash and Cash Equivalents	220.1	515.2
Cash and bank in acquisition companies	0.5	4.4
Cash and bank in disposed companies	-2.9	-0.1
Translation adjustment	8.4	-15.1
Net cash and cash equivalents at the beginning of period	877.0	372.6
Net Cash and Cash Equivalents at Period End	1 103.1	877.0
Cash and Cash Equivalents at Period End	1 110.9	890.4
Bank Overdrafts at Period End	-7.8	-13.4
Net Cash and Cash Equivalents at Period End	1 103.1	877.0
Acquisitions of Subsidiary Companies		
Cash and cash equivalents	0.5	4.4
Fixed assets	4.8	17.6
Working capital	0.1	20.4
Tax assets and liabilities	-0.6	16.0
Interest-bearing liabilities	-0.8	-44.1
Non-controlling interests	6.0	-2.0
Fair Value of Net Assets	10.0	12.3
Gain from step acquisition realised directly in equity	-	-3.9
Goodwill	3.0	-
Total Purchase Consideration	13.0	8.4

Disposal of Subsidiary Companies

Cash and cash equivalents	2.9	0.1
Fixed assets	0.8	92.6
Working capital	6.7	2.1
Interest-bearing liabilities	-5.6	-
Tax liabilities	-8.6	-
Net Assets in Divested Companies	-3.8	94.8
Income Statement capital gain/loss	5.3	-
Total Disposal Consideration Received in Cash and Kind	1.5	94.8

Property, Plant and Equipment, Intangible Assets and Goodwill

EUR million	2010	2009
Carrying value at 1 January	5 157.7	5 899.4
Acquisition of subsidiary companies	7.8	17.6
Capital expenditure	377.0	394.4
Additions in biological assets	23.4	35.5
Change in emission rights	15.7	-41.7
Disposals	-25.1	-27.9
Disposals of subsidiary companies	-0.8	-92.6
Depreciation and impairment	-282.7	-1 152.9
Translation difference and other	292.8	125.9
Statement of Financial Position Total	5 565.8	5 157.7

Borrowings

EUR million	31 Dec 10	31 Dec 09
Non-current borrowings	3 259.2	2 898.4
Current borrowings	752.0	1 038.3
	4 011.2	3 936.7
	2010	2009
Carrying value at 1 January	3 936.7	4 076.1
Debt acquired with new subsidiaries	0.8	44.1
Debt disposed with sold subsidiaries	-5.6	-
Payments of borrowings (net)	-111.2	-255.1
Translation difference and other	190.5	71.6
Statement of Financial Position Total	4 011.2	3 936.7

Condensed Consolidated Statement of Financial Position

EUR million		31 Dec 10	31 Dec 09
Assets			
Fixed Assets and Other Non-current Investments			
Fixed assets	O	5 334.3	4 979.9
Biological assets	O	190.5	152.5
Emission rights	O	41.0	25.3
Equity accounted investment	O	1 744.0	1 481.3
Available-for-sale: Interest-bearing	I	78.7	71.7
Available-for-sale: Operative	O	879.4	778.5
Non-current loan receivables	I	126.5	159.6
Deferred tax assets	T	111.0	155.8
Other non-current assets	O	37.2	30.4
		8 542.6	7 835.0
Current Assets			
Inventories	O	1 474.6	1 281.6
Tax receivables	T	1.7	2.4
Operative receivables	O	1 621.8	1 362.6
Interest-bearing receivables	I	285.1	221.2
Cash and cash equivalents	I	1 110.9	890.4
		4 494.1	3 758.2
Total Assets		13 036.7	11 593.2
Equity and Liabilities			
Owners of the Parent		6 202.9	5 124.3
Non-controlling Interests		51.8	58.2
Total Equity		6 254.7	5 182.5
Non-current Liabilities			
Post-employment benefit provisions	O	320.5	305.0
Other provisions	O	148.6	180.4
Deferred tax liabilities	T	422.6	364.4
Non-current debt	I	3 259.2	2 898.4
Other non-current operative liabilities	O	62.0	43.1
		4 212.9	3 791.3
Current Liabilities			
Current portion of long-term debt	I	303.5	814.8
Interest-bearing liabilities	I	448.5	223.5
Operative liabilities	O	1 697.1	1 473.0
Tax liabilities	T	120.0	108.1
		2 569.1	2 619.4
Total Liabilities		6 782.0	6 410.7
Total Equity and Liabilities		13 036.7	11 593.2

Items designated with "O" comprise Operating Capital

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

Items designated with "T" comprise Net Tax Liabilities

Statement of Changes in Equity

EUR million	Share Capital	Share Premium & 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 & Net Investment Hedges	Retained Earnings	Attributable to Owners of the Parent	Non-controlling Interests	Total
Balance at 31 December 2008	1 342.2	2 276.4	-	-10.2	-	510.6	-166.1	-10.5	-443.8	2 095.4	5 594.0	56.5	5 650.5
Loss for the period	-	-	-	-	-	-	-	-	-	-879.7	-879.7	1.5	-878.2
OCI before tax	-	-	-	-	3.9	180.3	224.1	-8.5	253.3	-20.4	632.7	5.9	638.6
Income tax relating to components of OCI	-	-	-	-	-	-6.7	-58.8	-	-4.1	4.6	-65.0	-	-65.0
Total Comprehensive Income	-	-	-	-	3.9	173.6	165.3	-8.5	249.2	-895.5	-312.0	7.4	-304.6
Dividends relating to 2008	-	-	-	-	-	-	-	-	-	-	-	-2.2	-2.2
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	-3.4	-3.4
Buy-out of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1
Transfer to distributable reserves	-	-2 042.1	2 042.1	-	-	-	-	-	-	-	-	-	-
Return of capital (EUR 0.20 per share)	-	-157.7	-	-	-	-	-	-	-	-	-157.7	-	-157.7
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	-	-	-	-	-	-	-	-	-	766.0	766.0	3.3	769.3
OCI before tax	-	-	-	-	-	95.9	107.7	9.2	295.8	-32.5	476.1	5.1	481.2
Income tax relating	-	-	-	-	-	-0.1	-29.0	-	2.5	13.2	-13.4	-	-

to components of OCI													-13.4
Total Comprehensive Income	-	-	-	-	-	95.8	78.7	9.2	298.3	746.7	1 228.7	8.4	1 237.1
Dividends relating to 2009	-	-	-	-	-	-	-	-	-	-	-	-1.2	-1.2
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	-6.0	-6.0
Buy-out of non-controlling interest	-	-	-	-	-	-	-	-	-	7.6	7.6	-7.6	-
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 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

CTA = Cumulative Translation Adjustment

OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	31 Dec 10	31 Dec 09
On Own Behalf		
Mortgages	5.2	16.2
On Behalf of Equity Accounted Investments		
Guarantees	154.6	180.2
On Behalf of Others		
Guarantees	108.3	121.7
Other Commitments, Own		
Operating leases, in next 12 months	32.3	27.2
Operating leases, after next 12 months	88.3	79.3
Pension liabilities	0.4	0.3
Other commitments	94.8	36.4
Total	483.9	461.3
Mortgages	5.2	16.2
Guarantees	262.9	301.9
Operating leases	120.6	106.5
Pension liabilities	0.4	0.3
Other commitments	94.8	36.4
Total	483.9	461.3

Purchase Agreement Commitments

EUR million	Scheduled Contract Payments				
Type of Supply	Contract Total	2011	2012-2013	2014-2015	2016+
Fibre	1 646.5	241.5	449.0	432.5	523.5
Energy	1 662.8	376.7	404.2	334.5	547.4
Logistics	410.1	62.6	95.9	76.1	175.5
Other production costs	676.8	76.1	78.2	29.4	493.1
Capital Expenditure	58.5	49.0	9.5	0.0	0.0
Total Contractual Commitments at 31 Dec 2010	4 454.7	805.9	1 036.8	872.5	1 739.5

Fair Values of Derivative Financial Instruments

EUR million	31 Dec 10			31 Dec 09
	Positive Fair Values	Negative Fair Values	Net Fair Values	Net Fair Values
Interest rate swaps	176.2	-40.8	135.4	156.6
Interest rate options	-	-35.3	-35.3	-26.7
Forward contracts	95.7	-48.1	47.6	20.5
Currency options	34.0	-11.9	22.1	13.9
Commodity contracts	24.4	-12.8	11.6	-21.8
Equity swaps ("TRS")	21.9	-8.1	13.8	-14.1
Total	352.2	-157.0	195.2	128.4

Nominal Values of Derivative Financial Instruments

EUR million	31 Dec 10	31 Dec 09
Interest Rate Derivatives		
Interest rate swaps		
Maturity under 1 year	827.5	666.8
Maturity 2–5 years	2 569.8	2 384.0
Maturity 6–10 years	804.7	861.8
	4 202.0	3 912.6
Interest rate options	601.0	387.4
Total	4 803.0	4 300.0
Foreign Exchange Derivatives		
Forward contracts	2 333.1	2 935.7
Currency options	2 683.4	1 590.7
Total	5 016.5	4 526.4
Commodity Derivatives		
Commodity contracts	297.6	396.7
Total	297.6	396.7
Total Return (Equity) Swaps		
Equity swaps ("TRS")	83.1	104.7
Total	83.1	104.7

Sales by Segment

EUR million	2010	Q4/10	Q3/10	Q2/10	Q1/10	2009	Q4/09	Q3/09	Q2/09	Q1/09
Newsprint and Book Paper	1 261.6	326.2	322.9	325.1	287.4	1 325.8	359.6	330.0	327.5	308.7
Magazine Paper	2 054.2	547.5	541.0	530.2	435.5	1 676.0	430.2	469.0	396.0	380.8
Fine Paper	2 125.7	533.5	563.3	554.4	474.5	1 823.9	492.0	449.6	450.4	431.9
Consumer Board	2 314.7	611.5	593.8	586.3	523.1	1 895.9	505.0	470.7	460.3	459.9
Industrial Packaging	949.5	241.7	225.4	259.2	223.2	815.5	220.6	203.7	194.0	197.2
Wood Products	1 588.7	410.3	424.1	422.7	331.6	1 239.6	344.9	306.9	315.8	272.0
Other	2 524.6	627.3	623.4	648.6	625.3	2 175.2	619.4	450.1	507.8	597.9
Inter-segment sales	-2 522.1	-612.8	-670.3	-634.3	-604.7	-2 006.8	-572.9	-449.0	-467.0	-517.9
Total	10 296.9	2 685.2	2 623.6	2 692.2	2 295.9	8 945.1	2 398.8	2 231.0	2 184.8	2 130.5

Operating Profit/Loss by Segment excluding NRI and Fair Valuations

EUR million	2010	Q4/10	Q3/10	Q2/10	Q1/10	2009	Q4/09	Q3/09	Q2/09	Q1/09
Newsprint and Book Paper	-10.8	-2.7	0.1	-6.6	-1.6	128.7	41.3	34.8	31.1	21.5
Magazine Paper	90.9	19.5	45.5	22.0	3.9	40.3	4.1	30.6	5.7	-0.1
Fine Paper	259.4	67.6	70.9	79.4	41.5	32.7	22.1	20.4	-4.1	-5.7
Consumer Board	277.1	52.1	77.6	76.9	70.5	164.9	42.9	64.9	41.6	15.5
Industrial Packaging	65.5	22.0	18.7	17.1	7.7	17.6	2.9	10.3	0.9	3.5
Wood Products	70.9	10.2	25.2	30.1	5.4	-8.0	15.0	9.4	-8.7	-23.7
Other	-65.9	-22.3	-4.9	-16.5	-22.2	-117.1	-26.6	-44.9	-24.3	-21.3
Operating Profit/Loss excl. NRI by Segment	687.1	146.4	233.1	202.4	105.2	259.1	101.7	125.5	42.2	-10.3
Share of results of equity accounted investments excl. fair valuations	67.0	20.4	21.9	10.5	14.2	61.4	35.8	6.0	6.3	13.3
Operating Profit excl. NRI and Fair Valuations*	754.1	166.8	255.0	212.9	119.4	320.5	137.5	131.5	48.5	3.0
Fair valuations*	92.5	41.9	16.5	11.2	22.9	4.4	9.9	21.0	11.4	-37.9
Operating Profit/Loss excl. NRI	846.6	208.7	271.5	224.1	142.3	324.9	147.4	152.5	59.9	-34.9
NRI	180.2	202.2	5.4	-8.5	-18.9	-932.5	-42.1	-655.1	-269.3	34.0
Operating Profit/Loss (IFRS)	1 026.8	410.9	276.9	215.6	123.4	-607.6	105.3	-502.6	-209.4	-0.9
Net financial items	-100.9	-21.7	-51.1	-22.6	-5.5	-279.2	-24.7	-46.1	-161.2	-47.2
Profit/Loss before Tax and Non-controlling Interests	925.9	389.2	225.8	193.0	117.9	-886.8	80.6	-548.7	-370.6	-48.1
Income tax expense	-156.6	-76.2	-31.5	-33.1	-15.8	8.6	-34.7	29.0	2.3	12.0
Net Profit/Loss	769.3	313.0	194.3	159.9	102.1	-878.2	45.9	-519.7	-368.3	-36.1

* Fair valuations include synthetic options net of realised and open hedges, CO₂ emission rights, and valuations of biological assets related to forest assets in equity accounted investments.

NRI by Segment

EUR million	2010	Q4/10	Q3/10	Q2/10	Q1/10	2009	Q4/09	Q3/09	Q2/09	Q1/09
Newsprint and Book Paper	-58.5	-1.1	-44.4	-13.0	-	-52.2	-1.1	-80.1	-	29.0
Magazine Paper	2.4	-1.1	-	9.2	-5.7	-163.5	-11.4	-152.1	-	-
Fine Paper	68.9	60.4	-	8.5	-	-314.2	-0.6	-313.6	-	-
Consumer Board	217.4	167.6	49.8	-	-	-34.2	1.6	-35.8	-	-
Industrial Packaging	-21.5	-5.0	-	-3.3	-13.2	-28.7	-0.5	-28.2	-	-
Wood Products	4.0	1.9	-	0.5	1.6	-7.7	1.0	-8.7	-	-
Other	-32.5	-20.5	-	-10.4	-1.6	-332.0	-31.1	-36.6	-269.3	5.0
NRI on Operating Profit	180.2	202.2	5.4	-8.5	-18.9	-932.5	-42.1	-655.1	-269.3	34.0
NRI on financial items	-	-	-	-	-	-148.5	-	-	-148.5	-
NRI on tax	-37.9	-37.9	-	-	-	49.6	12.0	42.9	4.6	-9.9
NRI on Net Profit	142.3	164.3	5.4	-8.5	-18.9	-1 031.4	-30.1	-612.2	-413.2	24.1

Operating Profit/Loss by Segment

EUR million	2010	Q4/10	Q3/10	Q2/10	Q1/10	2009	Q4/09	Q3/09	Q2/09	Q1/09
Newsprint and Book Paper	-69.3	-3.8	-44.3	-19.6	-1.6	76.5	40.2	-45.3	31.1	50.5
Magazine Paper	93.3	18.4	45.5	31.2	-1.8	-123.2	-7.3	-121.5	5.7	-0.1
Fine Paper	328.3	128.0	70.9	87.9	41.5	-281.5	21.5	-293.2	-4.1	-5.7
Consumer Board	494.5	219.7	127.4	76.9	70.5	130.7	44.5	29.1	41.6	15.5
Industrial Packaging	44.0	17.0	18.7	13.8	-5.5	-11.1	2.4	-17.9	0.9	3.5
Wood Products	74.9	12.1	25.2	30.6	7.0	-15.7	16.0	0.7	-8.7	-23.7
Other	-51.4	-34.6	9.1	-20.1	-5.8	-495.1	-89.6	-63.3	-281.9	-60.3
Share of results of equity accounted investments	112.5	54.1	24.4	14.9	19.1	111.8	77.6	8.8	6.0	19.4
Operating Profit/Loss (IFRS)	1 026.8	410.9	276.9	215.6	123.4	-607.6	105.3	-502.6	-209.4	-0.9
Net financial items	-100.9	-21.7	-51.1	-22.6	-5.5	-279.2	-24.7	-46.1	-161.2	-47.2
Profit/Loss before Tax and Non-controlling Interests	925.9	389.2	225.8	193.0	117.9	-886.8	80.6	-548.7	-370.6	-48.1
Income tax expense	-156.6	-76.2	-31.5	-33.1	-15.8	8.6	-34.7	29.0	2.3	12.0
Net Profit/Loss	769.3	313.0	194.3	159.9	102.1	-878.2	45.9	-519.7	-368.3	-36.1

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
SEK	8.9655	10.2520	9.5464	10.6180
USD	1.3362	1.4406	1.3272	1.3941
GBP	0.8608	0.8881	0.8583	0.8909

Transaction Risk and Hedges in Main Currencies as at 31 December 2010

EUR million	EUR	USD	GBP	SEK	Other	Total
Sales during 2010	6 030	1 430	620	1 190	1 030	10 300
Costs during 2010	-5 380	-500	-70	-1 990	-1 160	-9 100
Net Operating Cash Flow	650	930	550	-800	-130	1 200
Estimated annual net operating cash flow exposure		1 100	600	-1 100		
Transaction hedges as at 31 December 2010		-600	-290	550		
Hedging percentage as at 31 December 2010 for the next 12 months		55%	48%	50%		

Changes in Exchange Rates on Operating Profit

Operating Profit: Currency strengthening of + 10%

EUR million

USD	110
SEK	-110
GBP	60

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
October	103 824	83 662 226	222 891	21 139 042
November	108 127	86 256 886	281 276	20 697 179
December	131 186	84 577 995	290 040	29 349 281
Total	343 137	254 497 107	794 207	71 185 502

Closing Price

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
October	7.32	7.14	68.05	66.75
November	7.21	6.63	66.15	60.80
December	7.90	7.69	70.70	69.40

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	$\frac{\text{Profit before tax and non-controlling items} - \text{taxes}}{\text{Total equity}^{2)}$
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

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**Stora Enso's first quarter 2011 results will be published on 20 April 2011 at 13.00 EET.
Annual General Meeting on 20 April 2011 at 16.00 EET.**

PRESS CONFERENCE IN HELSINKI

Time: 13.30 local time today
Location: Stora Enso Oyj
Address: Kanavaranta 1
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 16.00 Finnish time (15.00 CET, 14.00 UK time, 9.00 US Eastern time).

If you wish to participate, please dial:

+44 (0)20 7136 2053 Continental Europe and the UK
+358 (0)9 2319 4345 Finland
+46 (0)8 5352 6439 Sweden
+1 212 444 0481 USA
Access code: 4721213#

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

Stora Enso is a global paper, packaging and wood products company producing newsprint and book paper, magazine paper, fine paper, consumer board, industrial packaging and wood products. The Group is the world leader in forest industry sustainability. We offer our customers solutions based on renewable raw materials. Our products provide a climate-friendly alternative to many non-renewable materials, and have a smaller carbon footprint. Stora Enso is listed in the Dow Jones Sustainability Index and the FTSE4Good Index. 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.

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since

these statements are based on current plans, estimates and projections, they involve risks and uncertainties, which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group's targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group's patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group's products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group's principal geographic markets or fluctuations in exchange and interest rates.

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