STORA ENSO OYJ

PARENT COMPANY FINANCIAL STATEMENTS

		1.1.-31.12.2009	1.1.-31.12.2008
SALES	2a	**2 681 624 281.53**	**3 434 233 646.13**
Changes in inventories of finished goods and work in progress + / -		-51 986 515.80	-42 109 331.85
Production for own use		466 864.36	350 407.49
Other operating income	2b	162 679 453.74	159 702 062.45
Materials and services	3	-1 898 192 514.19	-2 487 229 738.39
Personnel expenses	4	-297 227 425.78	-311 894 315.47
Depreciation and impairments	5	-543 849 115.70	-345 197 479.66
Other operating expenses	6, 7	-565 496 454.60	-1 268 405 367.24
		-3 193 605 707.97	-4 294 783 762.67
OPERATING PROFIT (-LOSS)		**-511 981 426.44**	**-860 550 116.54**
Net financial items	8	**-634 969 791.89**	-490 220 022.85
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		**-1 146 951 218.33**	**-1 350 770 139.39**
Extraordinary income	9	5 796 244.31	0.00
Extraordinary expenses		-70 438 428.97	0.00
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		**-1 211 593 402.99**	**-1 350 770 139.39**
Appropriations	10	368 206 803.55	147 749 838.63
Income tax	11	2 894 282.79	-1 156 849.45
NET PROFIT (LOSS) FOR THE PERIOD)		**-840 492 316.65**	**-1 204 177 150.21**

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

STORA ENSO OYJ

PARENT COMPANY BALANCE SHEET

Assets		31.12.2009	31.12.2008
NON-CURRENT ASSETS			
Intangible assets	13	44 339 390.65	68 684 297.65
Tangible assets	14	906 050 732.29	1 373 582 716.50
Investments	15		
Shares in Group companies		8 602 913 470.39	8 746 206 114.34
Other investments		697 148 869.17	1 062 443 133.57
TOTAL NON-CURRENT ASSETS		10 250 452 462.50	11 250 916 262.06
CURRENT ASSETS			
Inventories	17	414 844 215.66	583 809 909.77
Long-term receivables	18	943 724.38	4 114 540.73
Short-term receivables	19	1 093 817 220.93	1 448 243 278.49
Investments		595 528 355.88	57 210 059.25
Cash in hand and at bank		127 922 457.52	145 290 647.27
TOTAL CURRENT ASSETS		2 233 055 974.37	2 238 668 435.51
		12 483 508 436.87	**13 489 584 697.57**

Shareholders' Equity and Liabilities			
SHAREHOLDERS' EQUITY	21		
Share capital		1 342 215 448.30	1 342 215 448.30
Share premium fund		3 638 800 031.65	5 484 669 300.73
Reserve fund		0.00	353 946 990.12
Invested non-restricted equity fund		2 042 092 300.20	0.00
Retained profit (loss)		-410 773 267.02	793 497 055.92
Profit (loss) for the period		-840 492 316.65	-1 204 177 150.21
TOTAL SHAREHOLDERS' EQUITY		5 771 842 196.48	6 770 151 644.86
ACCUMULATED APPROPRIATIONS	23	250 638 930.80	617 015 485.50
STATUTORY PROVISIONS	24	55 083 882.60	50 857 672.95
LIABILITIES			
Long-term liabilities	29	2 789 785 873.78	2 620 195 955.50
Current Liabilities	26, 27, 29	3 616 157 553.21	3 431 363 938.76
TOTAL LIABILITIES		6 405 943 426.99	6 051 559 894.26
		12 483 508 436.87	**13 489 584 697.57**

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

STORA ENSO OYJ

PARENT COMPANY CASH FLOW STATEMENT

	1.1.-31.12.2009	1.1.-31.12.2008
Cash Flow from Operating Activities:		
Net loss for the period	-840 492 316.65	-1 204 177 150.21
Reversal of non-cash items:		
Taxes	-2 894 282.79	1 156 849.45
Appropriations	-368 206 803.55	-147 749 834.21
Extraordinary items	64 642 184.66	0.00
Depreciation and value adjustments	543 849 115.70	345 197 479.66
Profit/losses on sale of fixed assets	-8 875 295.80	608 947 835.57
Net financial income	634 969 791.89	427 134 545.37
Change in working capital:		
Current non-interest-bearing receivables increase(-)/decrease(+)	103 246 263.54	-38 862 625.59
Inventories increase(-)/decrease(+)	168 965 694.11	-874 702.18
Current non-interest-bearing liabilities increase(+)/decrease(-)	67 866 561.48	-69 148 583.74
Cash flow from operating activities before financial items and taxes	363 070 912.59	-78 376 185.88
Interest paid net of amounts capitalised	47 765 684.85	99 887 909.36
Interest paid net of amounts capitalised	-128 666 064.23	-227 566 185.18
Dividents received	18 981 370.97	1 041 136 874.61
Other financial items, net	-41 345 058.34	-173 510 228.29
Income taxes paid	2 894 282.79	21 530 664.51
Change in net working capital	262 701 128.63	683 102 849.13
Net Cash Provided by Operating Activities (A)	**262 701 128.63**	**683 102 849.13**
Cash Flow from Investing Activities:		
Investment in subsidiary shares	-118 650 678.22	-67 888 783.11
Investment in shares in other companies	-5 551 884.00	-1 609 000.00
Capital expenditure	-122 810 857.61	-139 907 029.21
Proceeds from disposal of subsidiary shares	32 044 505.53	167 474 740.96
Proceeds from disposal of shares in equity accounted investments	15 020.31	435 870.38
Proceeds from disposal of shares in other companies	1 435 264.27	2 388 293.80
Proceeds from sale of fixed assets	53 777 322.51	5 363 360.93
Proceeds from (payment of) long-term receivables net	216 337 715.64	-30 216 537.13
Net Cash Used in Investing Activities (B)	**56 596 408.43**	**-63 959 083.38**
Cash Flow from Financing Activities:		
Proceeds from (payment of) long-term liabilities net	453 328 222.76	-523 254 915.81
Proceeds from (payment of) short-term borrowings net	-175 337.56	-872 194 603.67
Group contributions paid and received	0.00	109 935 102.00
Capital repayment / dividend per share paid/declared	-157 723 959.00	-354 878 994.15
Net Cash Used in Financing Activities (C)	**295 428 926.20**	**-1 640 393 411.63**
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	**614 726 463.26**	**-1 021 249 645.88**
Translation adjustment	5 494 350.99	-8 484 567.92
Cash from merged companies	15 283 744.26	0.00
Cash and cash equivalents at start of year	510 074 880.09	1 539 809 093.89
Cash and Cash Equivalents at Year End	1 145 579 438.60	510 074 880.09

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the Income Statement	2009	2008

Note 1. Accounting principles

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

The main differences between the accounting principles of the Group and Stora Enso Oyj are:
- The valuation of financial assets and liabilities
- The valuation of derivative financial instruments and the principles for recognising gains and losses on them
- The valuation of investments in securities
- The recognition principles and presentation of deferred taxes

Note 2a. Sales by segment

	2009 EUR 1 000	2008 EUR 1 000
Magazine Paper	183 210.8	271 844.8
Fine Paper	1 189 621.9	1 432 521.4
Packaging Boards	822 204.7	908 533.2
Forest	957 835.8	1 492 295.7
Other operations and internal sales	-471 248.9	-670 961.5
	2 681 624.3	3 434 233.6

Note 2b. Other operating income

	2009	2008
Rent and equivalents	9 423 727.19	10 507 760.32
Profit on sale of fixed assets	14 950 823.68	5 767 019.89
Insurance compensation	3 644.44	50 032.29
Production and maintenance services	12 526 118.22	14 768 845.45
Subsidies, grants and equivalents	2 819 780.44	5 139 843.87
Administration services	83 568 152.25	86 366 324.22
Proceeds from sales of emission rights	30 992 802.31	29 996 391.08
Other operating income	8 394 405.21	7 105 845.33
	162 679 453.74	159 702 062.45

Note 3. Materials and services

	2009	2008
Materials and supplies		
Purchases during the period	1 385 393 509.86	2 033 569 759.49
Change in inventories + / -	100 125 398.03	-57 283 892.79
	1 485 518 907.89	1 976 285 866.70
External services	412 673 606.30	510 943 871.69
Total materials and services	1 898 192 514.19	2 487 229 738.39

Note 4. Personnel costs and average number of employees

	2009	2008
Wages and salaries	224 374 480.96	242 408 185.12
Statutory employer costs		
Pensions	55 713 136.91	47 203 901.50
Other personnel costs	17 139 807.91	22 282 228.85
Total personnel costs	297 227 425.78	311 894 315.47
Remuneration of members of the Board of Directors and CEO		
Salaries and fees	600 825.00	893 500.00

Pension liabilities for CEO

Retirement age of CEO has been agreed as 60.

Average number of employees employed by Company in the period		
White-collar workers	1 965	2 049
Blue-collar workers	2 745	2 832
Total	4 710	4 881

Note 5. Depreciation and impairments

	2009	2008
Depreciation according to plan	160 777 422.65	202 034 349.25
Impairment of fixed assets	383 071 693.05	143 163 130.41
Total	543 849 115.70	345 197 479.66

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

Note 6. Other operating expenses

	2009	2008
Product freight	274 318 035.32	341 767 898.33
Sales commissions	37 549 957.39	34 509 916.22
Rental costs	15 976 183.25	13 409 185.41
Administration and office services	162 950 086.68	195 347 863.48
Insurance premiums	5 282 692.28	5 937 418.75
Loss on sales of shares and equivalents	4 807 661.16	614 618 936.93
Change in environmental provisions	-676 264.02	6 723 885.60
Other operating expenses	65 288 102.54	56 090 262.52
Total other operating expenses	565 496 454.60	1 268 405 367.24

Note 7. Auditor's fees

	2009	2008
Audit fees	867 398.00	772 957.76
Taxation advice	32 800.00	23 995.00
Other fees	853 772.25	182 956.68
	1 753 970.25	979 909.44

Note 8. Net financial items

	2009	2008
Dividend income		
From Group companies	15 347 883.75	1 033 947 746.25
From associated companies	3 378 638.02	7 046 362.66
Other	254 849.20	142 765.70
Total	18 981 370.97	1 041 136 874.61
Interest income from long-term investments		
From Group companies	24 808 487.07	31 967 695.36
Other	15 705 433.26	22 915 596.84
Total	40 513 920.33	54 883 292.20
Other interest and financial income		
From Group companies	5 781 738.99	28 124 245.85
Other	33 645 434.90	13 989 304.89
Total	39 427 173.89	42 113 550.74
Total interest income	79 941 094.22	96 996 842.94
Investment impairments		
Impairment of long-term investments	-543 041 082.48	-1 241 587 104.45
Interest and other financial expenses		
Payable to Group companies	-21 193 832.58	-102 555 674.10
Other	-169 657 342.02	-284 210 961.85
Total	-190 851 174.60	-386 766 635.95
Total interest and other financial expenses	-733 892 257.08	-1 628 353 740.40
Total net financial items	-634 969 791.89	-490 220 022.85
Net currency gain included in interest and financial expenses	3 820 322.90	-7 116 018.21

Note 9. Extraordinary items

	2009	2008
Extraordinary income		
Merger gain	5 796 244.31	0.00
	5 796 244.31	0.00
Extraordinary expenses		
Merger loss	40 438 428.97	0.00
Other extraordinary expenses, cartel fine	30 000 000.00	0.00
	70 438 428.97	0.00
Total extraordinary items	64 642 184.66	0.00

Note 10. Appropriations

	2009	2008
Difference between depreciation according to plan and depreciation recognised in taxation	-368 206 803.55	-147 749 838.63

Note 11. Income tax

	2009	2008
Income tax on operations	-2 894 282.79	1 156 849.45
	-2 894 282.79	1 156 849.45

Note 12. Environmental costs

	2009	2008
Materials and services	27 503 188.64	31 358 697.05
Personnel costs	1 972 295.75	1 771 884.51
Depreciation and impairment charges	11 334 851.65	10 116 275.60
Total	40 810 336.04	43 246 857.16
Air quality protection	8 601 861.23	10 935 199.91
Waste water treatment	24 813 258.43	25 404 359.34
Waste management	3 185 626.72	3 170 152.99
Protection of soil and groundwater	131 785.00	107 753.83
Prevention of noise and vibration	90 059.71	35 616.49
Protection of biodiversity and landscape	292 369.05	314 574.37
Research and development	16 625.00	5 475.00
Other environmental protection measures	3 678 750.90	3 273 725.23
Total	40 810 336.04	43 246 857.16

Non-current assets

Note 13. Intangible assets

	Intangible rights	Other long-term expenditure	Goodwill	Total
Acquisition cost 1.1	147 225 081.31	4 697 307.88	108 895 720.23	260 818 109.42
Additions	2 372 675.73	800 000.00	0.00	3 172 675.73
Merger	1 490 537.51	305 916.36	84 093.96	1 880 547.83
Disposals	-92 003.29			-92 003.29
Reclassification	2 090 313.46			2 090 313.46
Acquisition cost 31.12	153 086 604.72	5 803 224.24	108 979 814.19	267 869 643.15
Accumulated depreciation, amortisation and impairment 1.1	-105 548 330.64	-4 489 760.90	-82 095 720.23	-192 133 811.77
Accumulated depreciation on disposals, reclassifications and mergers	-1 332 998.89	-291 903.36	-84 093.96	-1 708 996.21
Depreciation for period	-18 884 953.19	-13 558.00	-10 726 667.00	-29 625 178.19
Impairment	-62 266.33			-62 266.33
Accumulated depreciation 31.12	-125 828 549.05	-4 795 222.26	-92 906 481.19	-223 530 252.50
Increase in value	0.00	0.00	0.00	0.00
Net book value 31.12.2009	27 258 055.67	1 008 001.98	16 073 333.00	44 339 390.65
Net book value 31.12.2008	41 676 750.67	207 546.98	26 800 000.00	68 684 297.65

Note 14. Tangible assets

	Land and water	Buildings and structures	Plant and equipment	Other tangible assets	Total
Acquisition cost 1.1	28 793 445.53	669 204 718.45	3 238 923 419.49	173 488 285.03	4 110 409 868.50
Additions		1 522 808.10	61 575 099.33	848 426.36	63 946 333.79
Merger	1 217 762.93	14 470 859.69	25 446 726.78	13 159 179.14	54 294 528.54
Disposals	-262 724.51	-108 007.03	-67 890 542.48		-68 261 274.02
Reclassification		22 710.40	31 672 084.08	334 585.76	32 029 380.24
Acquisition cost 31.12	29 748 483.95	685 113 089.61	3 289 726 787.20	187 830 476.29	4 192 418 837.05
Accumulated depreciation, amortisation and impairment 1.1	-70 202.24	-310 013 840.77	-2 362 373 584.92	-114 646 189.03	-2 787 103 816.96
Accumulated depreciation on disposals, reclassifications and mergers		-8 349 755.26	-4 979 370.05	-10 122 733.74	-23 451 859.05
Depreciation for period		-23 779 693.58	-94 412 403.76	-12 960 147.12	-131 152 244.46
Impairment	-93 172.73				-93 172.73
Impairment charges		-63 158 942.32	-317 947 778.01	-1 902 706.39	-383 009 426.72
Accumulated depreciation 31.12	-163 374.97	-405 302 231.93	-2 779 713 136.74	-139 631 776.28	-3 324 810 519.92
Increase in value	4 423 429.00	0.00	0.00	0.00	4 423 429.00
Net book value 31.12.2009	34 171 912.95	279 810 857.68	510 013 650.46	48 198 700.01	872 195 121.10
Net book value 31.12.2008	33 310 047.26	359 190 877.68	876 549 834.57	58 842 096.00	1 327 892 855.51

Production plant and equipment					
Net book value 31.12.2009			506 964 834.46		
Net book value 31.12.2008			871 906 877.00		

Advance payments and acquisitions in progress

	Intangible assets	Buildings and structures	Plant and equipment	Other tangible assets	Total
Acquisition cost 1.1	8 172 798.78	416 195.70	37 150 241.92	42 462.16	45 781 698.56
Additions	8 597 104.52		12 581 067.71	802 056.17	21 980 228.40
Disposals		-194 691.45			-194 691.45
Depreciation for period					0.00
Reclassification	-2 851 995.09	-221 504.26	-30 595 662.80	-42 462.16	-33 711 624.31
Acquisition cost 31.12	13 917 908.21	-0.01	19 135 646.83	802 056.17	33 855 611.20

Non-current assets

Environmental protection	2009	2008
Tangible assets		
Capitalised environmental expenditure		
Acquisition cost 1.1.	78 074 546.90	81 427 744.26
Additions	3 163 515.46	6 392 410.01
Disposals	11 334 851.64	10 116 275.60
Total	**69 903 210.72**	**77 703 878.67**
Air quality protection	28 546 327.36	29 539 561.64
Waste water treatment	37 059 286.36	43 922 990.74
Waste management	2 754 412.00	2 629 319.29
Soil and groundwater protection	1 298 403.00	1 288 763.00
Noise and vibration prevention	244 782.00	265 450.00
Total	**69 903 210.72**	**77 646 084.67**

In 2009 and 2008 no environmentally based fines, charges or compensations were paid, and no subsidies or grants were received for environmental protection.

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

	2009	2008
Parent Company		
Group companies		
Shares	8 602 913 470.39	8 746 206 114.34
Loan receivables	313 423 693.84	318 385 667.28
Total	8 916 337 164.23	9 064 591 781.62
Associated companies		
Shares	78 893 182.15	67 951 299.44
Loan receivables	36 350 000.00	35 200 000.00
Total	115 243 182.15	103 151 299.44
Other		
Shares, book value	41 834 682.16	317 719 791.70
Shares, appreciation	115 027 521.16	115 027 521.16
Other receivables	111 619 789.92	208 158 853.99
	268 481 993.24	640 906 166.85
	Market value	Market value
	EUR	EUR
Stock exchange companies	0.00	891 499.83

Emission rights

On 1 January 2009 the Company received for free a total of 1.7 million tonnes of emission rights as defined under the EU Emissions Trading Directive and recognised them in accounting through a net cash cost basis, in other words by taking into account in the Income Statement the difference between the emissions emitted and the emission rights received if the tonnes of emissions emitted exceeded the emission rights already received. During the financial period, the emissions emitted were 1.2 million tonnes, so the emissions emitted did not have an effect on the Income Statement or the Balance Sheet.
At the end of the financial period, the market value of the emission rights was EUR 12.33 per tonne and the total value EUR 1.6 million.

Note 16. Receivables from Group Management

There were no receivables from Group Management.

Current assets

Note 17. Inventories	2009	2008
Materials and supplies	183 058 153.17	281 568 719.09
Work in progress	16 574 088.37	21 083 719.01
Finished goods	168 105 298.07	215 582 183.23
Other inventories	47 106 676.05	65 575 288.44
	414 844 215.66	583 809 909.77

Receivables

Note 18. Long-term receivables	2009	2008
Other receivables	943 724.38	4 114 540.73
Total long-term receivables	943 724.38	4 114 540.73

Note 19. Short-term receivables	2009	2008
Trade receivables	276 595 476.99	280 309 401.12
Receivables from Group companies		
Trade receivables	91 195 094.15	74 370 001.75
Other receivables	4 769 445.62	103 219 535.80
Accrued income	6 701 079.79	3 065 669.00
Total	102 665 619.56	180 655 206.55
Receivables from associated companies		
Trade receivables	2 209 203.45	3 146 427.29
Other receivables	84 093.50	84 093.50
Total	2 293 296.95	3 230 520.79
Other receivables	12 405 819.80	38 604 896.93
Accrued income	19 522 881.48	19 822 115.63
Total short-term receivables	413 483 094.78	522 622 141.02
Short-term interest-bearing receivables		
Receivables from Group companies		
Loan receivables	31 299 533.50	150 264 007.77
Interest-bearing receivables	104 296 231.87	323 424 334.89
Other securities	425 286 913.26	326 242 498.42
Total	560 882 678.63	799 930 841.08
Receivables from associated companies		
Loan receivables	0.00	1 000 000.00
Interest-bearing receivables	487 900.98	1 015 544.79
Other securities	0.00	1 947 240.51
Total	487 900.98	3 962 785.30
Interest-bearing receivables	118 963 546.54	121 727 511.09
Other securities	595 528 355.88	57 210 059.25
Total short-term interest-bearing receivables	1 275 862 482.03	982 831 196.72
Significant accruals		
Commodity contract accruals from Group	5 350 370.46	1 699 298.91
Other accruals from Group	1 334 189.04	1 366 370.09
Accrued annual discounts	0.00	1 596 000.00
Accrued insurance payments	168 733.32	520 092.21
Commodity contract accruals	3 182 642.96	5 084 041.97
Personnel cost items	3 881 400.64	0.00
Other accruals	12 306 624.85	12 621 981.45
	26 223 961.27	22 887 784.63

Note 20. Capitalised interest, buildings, plant and equipment

	2009	2008
Buildings and structures		
Capitalised interest 1.1	543 312.00	563 983.00
Additions 1.1.–31.12	0.00	0.00
Disposals 1.1.–31.12	20 671.00	20 671.00
Capitalised interest 31.12.	522 641.00	543 312.00
Plant and equipment		
Capitalised interest 1.1.	2 912 853.00	3 407 424.00
Additions 1.1-31.12.	587 908.00	0.00
Disposals 1.1-31.12.	339 507.00	494 571.00
Capitalised interest 31.12.	3 161 254.00	2 912 853.00
Other tangible assets		
Capitalised interest 1.1.	357 166.00	387 872.00
Additions 1.1-31.12.	0.00	0.00
Disposals 1.1-31.12.	30 709.00	30 706.00
Capitalised interest 31.12.	326 457.00	357 166.00
Total		
Capitalised interest 1.1.	3 813 331.00	4 359 279.00
Additions 1.1-31.12.	587 908.00	0.00
Disposals 1.1-31.12.	390 887.00	545 948.00
Capitalised interest 31.12.	4 010 352.00	3 813 331.00

Note 21. Shareholders' equity	2009	2008
Share capital 1.1	1 342 215 448.30	1 342 215 448.30
Share capital 31.12	1 342 215 448.30	1 342 215 448.30
Share premium fund 1.1	5 484 669 300.73	5 484 669 300.73
Capital repayment	-157 723 959.00	0.00
Transfer to invested non-restricted equity fund	-1 688 145 310.08	0.00
Share premium fund 31.12	3 638 800 031.65	5 484 669 300.73
Reserve fund 1.1	353 946 990.12	353 946 990.12
Transfer to invested non-restricted equity fund	-353 946 990.12	0.00
Reserve fund 31.12	0.00	353 946 990.12
Invested non-restricted equity fund 1.1	0.00	0.00
Transfer from reserve fund	353 946 990.12	0.00
Transfer from share premium fund	1 688 145 310.08	0.00
Invested non-restricted equity fund 31.12	2 042 092 300.20	0.00
Retained profit from previous periods 1.1	-410 680 094.29	1 148 446 252.31
Dividend distribution	0.00	-354 878 994.15
Decrease due to sale of fixed assets	-93 172.73	-70 202.24
Retained profit from previous periods 31.12	-410 773 267.02	793 497 055.92
Loss for the period	-840 492 316.65	-1 204 177 150.21
Restricted shareholders' equity 31.12	4 981 015 479.95	7 180 831 739.15
Distributable shareholders' equity 31.12		
Invested non-restricted equity fund 31.12	2 042 092 300.20	0.00
Losses brought forward 31.12	-1 251 265 583.67	-410 680 094.29
Distributable shareholders' equity 31.12	790 826 716.53	0.00

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

	A shares	R shares	Total
31.12.1998	243 394 655	516 185 034	759 579 689
Conversion of A shares to R shares 6-24.9	-34 443 467	34 443 467	0
Subscribed under option rights 26.10		30 000	30 000
31.12.1999	208 951 188	550 658 501	759 609 689
Subscribed under option rights 26.1		246 000	246 000
Share issue (Consolidated Papers) 11.9		167 367 577	167 367 577
Conversion of A shares to R shares 16-27.10	-14 454 732	14 454 732	0
31.12.2000	194 496 456	732 726 810	927 223 266
Subscribed under option rights 5.1		312 000	312 000
Subscribed under option rights 16.3		964 201	964 201
Shares cancelled (AGM 2001) 9.4	-910 600	-22 260 100	-23 170 700
Subscribed under option rights 29.5		228 000	228 000
Subscribed under option rights 20.7		773 522	773 522
Conversion of A shares to R shares 17-28.9	-9 312 271	9 312 271	0
Subscribed under option rights 17.10		238 287	238 287
Subscribed under option rights 29.11		184 723	184 723
31.12.2001	184 273 585	722 479 714	906 753 299
Subscribed under option rights 10.1		1 158 000	1 158 000
Shares cancelled (AGM 2002) 3.4	-813 200	-7 319 800	-8 133 000
Conversion of A shares to R shares 16-27.9	-1 143 700	1 143 700	0
31.12.2002	182 316 685	717 461 614	899 778 299
Subscribed under option rights 9.1		3 000	3 000
Shares cancelled (AGM 2003) 31.3	-93 800	-35 500 000	-35 593 800
Conversion of A shares to R shares 5-11/2003	-1 011 805	1 011 805	0
Subscribed under option rights 12.12		75 000	75 000
31.12.2003	181 211 080	683 051 419	864 262 499
Subscribed under option rights 8.1		27 000	27 000
Subscribed under option rights 15.1		195 000	195 000
Subscribed under option rights 4.3		75 000	75 000
Shares cancelled (AGM 2004) 5.4	-8 100	-27 800 000	-27 808 100
Subscribed under option rights 8.4		492 000	492 000
Conversion of A shares to R shares 1-11/2004	-2 154 457	2 154 457	0
31.12.2004	179 048 523	658 194 876	837 243 399
Shares cancelled 31.3.2005	-16 300	-24 250 000	-24 266 300
Conversion of A shares to R shares 1-11/2005	-872 445	872 445	0
31.12.2005	178 159 778	634 817 321	812 977 099
Shares cancelled 31.3.2006	-38 600	-23 400 000	-23 438 600
Conversion of A shares to R shares 1-11/2006	-18 061	18 061	0
31.12.2006	178 103 117	611 435 382	789 538 499
Conversion of A shares to R shares 1-11/2007	-624 084	624 084	0
31.12.2007	177 479 033	612 059 466	789 538 499
Conversion of A shares to R shares 12/2007-11/2008	-326 552	326 552	0
31.12.2008	177 152 481	612 386 018	789 538 499
Conversions of A shares to R shares 1-11/2009	-2 397	2 397	0
31.12.2009	177 150 084	612 388 415	789 538 499

Counter value (nominal value) EUR 1.70 per share

	A shares	R shares	
Share capital 31.12.2009	301 155 142	1 041 060 306	1 342 215 448

Note 23. Accumulated appropriations

	2009	2008
Depreciation difference		
Intangible rights	151 252.81	2 832 691.86
Goodwill	5 513 333.00	5 360 000.00
Other long-term expenditure	197 159.98	193 504.98
Buildings and structures	65 325 298.45	129 705 577.48
Plant and equipment	155 497 366.93	445 438 295.18
Other tangible assets	23 954 519.63	33 485 416.00
	250 638 930.80	617 015 485.50

Note 24. Statutory provisions

	2009	2008
Other statutory provisions		
Restructuring provisions	15 434 913.05	17 470 252.38
Environmental provisions	18 211 156.55	18 887 420.57
Pension provisions	3 722 524.00	0.00
Other provisions	17 715 289.00	14 500 000.00
	55 083 882.60	50 857 672.95

Note 25. Deferred tax liabilities and receivables

	2009	2008
Deferred tax liability due to depreciation difference	46 408 792.69	157 846 056.12
Deferred tax receivable due to derivatives	-5 737 066.53	-5 758 030.00
Deferred tax liability due to fixed asset items	3 445 000.00	12 975 300.00
Deferred tax receivable due to loss	-165 241 205.47	-106 240 758.49
Deferred tax receivable due to provisions	-16 957 817.62	-17 908 241.37
Total deferred tax receivable/ liability	-138 082 296.93	40 914 326.26

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

Note 26. Short-term interest-bearing liabilities

	2009	2008
Liabilities to Group companies		
Other short-term loans	2 214 383 654.63	2 100 589 127.47
Interest due	54 302 718.92	31 602 705.45
Total	2 268 686 373.55	2 132 191 832.92
Other short-term loans	35 002 602.88	121 820 578.54
Interest due	167 964 728.62	394 309 846.74
Total short-term interest-bearing liabilities	2 471 653 705.05	2 648 322 258.20

Note 27. Other short-term liabilities

	2009	2008
Advances received	3 877 177.40	819 210.39
Trade payables	140 188 927.09	129 714 037.81
Liabilities to Group companies		
Advances received	31 442.26	165.62
Trade payables	64 060 475.75	60 190 557.34
Other liabilities	623 277.91	42 822.25
Accrued liabilities and deferred income	2 425 009.51	8 798 470.79
Total	67 140 205.43	69 032 016.00
Liabilities to associated companies		
Trade payables	10 493 250.88	3 613 756.79
Other liabilities	3 299 647.52	0.00
Total	13 792 898.40	3 613 756.79
Other liabilities	39 700 524.47	31 939 875.18
Accrued liabilities and deferred income	156 110 023.65	148 250 127.06
Total other short-term liabilities	420 809 756.44	383 369 023.23
Significant accrued liabilities and deferred income		
Provision for restructuring	14 596 946.87	16 680 298.09
Payroll payments, accrued	72 070 148.38	58 846 540.55
Annual discounts	36 217 456.57	37 542 883.85
Other accrued liabilities and deferred income	35 650 481.34	43 978 875.36
	158 535 033.16	157 048 597.85

Note 28. Commitments and contingencies	31.12.2009	31.12.2008
On own behalf, for own debt		
Pledges given	0.00	840 939.63
Mortgages	168 187.00	11 438 157.00
For Group debt		
Guarantees	436 975 335.51	434 485 834.93
On behalf of associated companies		
Guarantees	180 195 197.27	180 418 186.29
On behalf of others		
Guarantees	118 178 303.57	152 901 102.52
Other commitments, own		
Leasing commitments, in next 12 months	5 647 224.88	1 929 482.07
Leasing commitments, after next 12 months	35 471 385.25	1 671 504.26
Mortgages	337 758.00	0.00
Rents	0.00	15 349.15
Other contingencies	384 009.00	373 721.00
Total		
Pledges given	0.00	840 939.63
Mortgages	505 945.00	11 438 157.00
Guarantees	735 348 836.35	767 805 123.74
Leasing commitments	41 118 610.13	3 600 986.33
Rents	0.00	15 349.15
Other contingencies	384 009.00	373 721.00
Total	777 357 400.48	784 074 276.85

Note 29. Interest-bearing debt

Repayment schedule of long-term debt including amortisation 31.12.2009

	2010	2011	2012	2013	2014	2015 -	Total EUR 1 000
Bonds	525 000	323 911	0	0	672 273	1 103 466	2 624 650
Loans from credit institutions	190 733	28 960	68 800	0	0	41 649	330 142
Pension loans	0	25 000	25 000	25 000	25 000	100 000	200 000
Other long-term liabilities	7 961	9 332	0	0	0	0	17 293
Other long-term liabilities from forest sellers	725	1 804	1 462	2 654	9 250	0	15 895
Other long-term liabilities to Group companies	0	0	0	325 500	0	0	325 500
	724 419	389 007	95 262	353 154	706 523	1 245 115	3 513 480

Bonds

	Interest rate	Currency	Original loan capital	Carrying value 31.12. 2008	Carrying value 31.12. 2009
Fixed rate					
1993-2019	8.600	USD	50.0	42.1	40.4
2001-2011	7.375	USD	750.0	335.0	323.9
2004-2014	5.125	EUR	750.0	490.1	672.3
2005-2010	3.250	EUR	500.0	500.0	500.0
2006-2016	6.404	USD	507.9	351.6	340.7
2006-2036	7.250	USD	300.0	212.9	205.7
2006-2015	3.500	SEK	500.0	49.5	51.8
Loans matured and extinguished in 2009				335.3	
Floating Rate					
2000-2010	Euribor +0.80	EUR	25.0	25.0	25.0
2006-2018	Euribor +0.96	EUR	25.0	25.0	25.0
2006-2018	Euribor +0.72	EUR	50.0	49.9	49.9
2009-2016	Euribor +0.72	EUR	390.0	-	390.0
Loans matured and extinguished in 2009					
				2416.4	2416.4

Note 30. Fair values of financial instruments

Open agreements for risk management purposes 31.12.2009
EUR million

Fair value	31.12.2009	31.12.2008
Interest Rate Derivatives		
Interest rate swaps	156.6	227.2
Interest rate options	-26.7	-38.0
Total interest rate derivatives	129.9	189.2
Currency Derivatives		
Forward contracts	52.2	89.4
Currency swaps	0.0	0.0
Currency options	30.3	-26.7
Total currency derivatives	82.5	62.7
Commodity Derivatives		
Energy and paper derivatives	4.3	1.1
Total return swaps		
Total return swaps	-14.1	-53.1
Nominal value		
Interest Rate Derivatives		
Interest rate swaps	3 912.6	4 617.8
Interest rate options	387.4	394.3
Total interest rate derivatives	4 300.0	5 012.1
Currency Derivatives		
Forward contracts	6 411.9	6 188.1
Currency swaps	0.0	0.0
Currency options	2 446.6	2 376.8
Total currency derivatives	8 858.5	8 564.9
Commodity Derivatives		
Energy and paper derivatives	716.0	1 066.2
Total return swaps		
Total return swaps	104.7	158.2

ENVIRONMENTAL LIABILITIES 31.12.2009

1. Pateniemi sawmill site

Stora Enso Oyj owns land in Oulu where Pateniemi sawmill operated from the late 1800s until 1990. Following the operations, the soil of the woodhandling and warehouse areas is contaminated. Stora Enso Oyj is responsible for decontaminating and restoring the area. Because this will be a major decontaminating operation, further evaluation was undertaken in 2004–2005 to find the best possible solution. The assessment of the environmental effects was completed in 2005 and identification of environmental risks was completed in February 2009. An environmental permit to close down the tip was received in December 2009. Stora Enso will decontaminate the most polluted area in 2010 as required by the authorities. Closure of the tip is scheduled to begin in 2010 and less-polluted soil will be placed on it in accordance with the environmental permit. The rest of the area will be decontaminated appropriately for its future land use.

2. Dismantling of cells at chlorine plant

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

3. Decontamination of Kotka sawmill site

The site of an old sawmill at Stora Enso Oyj’s mill area in Kotka is contaminated, according to an investigation undertaken in 2003. Authorities required that the site must be decontaminated adequately for industrial land use. In 2005 sampling pipes were installed in the area to provide regular water samples as requested by the authority. The timing of the decontamination will depend on the requirements for use of the area.

4. Kemijärvi pulp mill

Production at Kemijärvi pulp mill ceased in April 2008. Amendment of the currently valid environmental permit has been sought due to the mill closure. The environmental permit process has not been completed. The revised environmental permit will include stipulations for decontamination and monitoring of the soil and water areas, and further treatment of the aeration basin. The old tip will be closed by the end of 2010 in compliance with the current permit.

5. Summa mill

Production at Summa mill ceased in January 2008. An environmental permit to cease operations was received in summer 2009. Decontamination of soil and groundwater are in progress. Other obligations stipulated by the environmental permit will be undertaken mainly during 2010.

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

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