

STORA ENSO OYJ

PARENT COMPANY INCOME STATEMENT

		1.1.-31.12.2008	1.1.-31.12.2007
SALES	2a	3 434 233 646,13	3 565 819 353,55
Changes in inventories of finished goods and work in progress + / -		-42 109 331,85	29 299 254,63
Production for own use		350 407,49	322 455,51
Other operating income	2b	159 702 062,45	125 476 520,01
Materials and services	3	-2 487 229 738,39	-2 539 795 400,10
Personnel expenses	4	-311 894 315,47	-294 749 292,36
Depreciation and impairments	5	-345 197 479,66	-358 891 078,12
Other operating expenses	6, 7	-1 268 405 367,24	-2 899 824 758,86
		<u>-4 294 783 762,67</u>	<u>-5 938 162 299,29</u>
OPERATING PROFIT (-LOSS)		-860 550 116,54	-2 372 342 945,74
Net financial items	8	-490 220 022,85	603 803 808,23
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		-1 350 770 139,39	-1 768 539 137,51
Extraordinary income	9	0,00	110 247 630,00
Extraordinary expenses		0,00	-1 850 071,62
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		-1 350 770 139,39	-1 660 141 579,13
Appropriations	10	147 749 838,63	155 983 208,44
Income tax	11	-1 156 849,45	-15 186 084,48
NET PROFIT (LOSS) FOR THE PERIOD		<u>-1 204 177 150,21</u>	<u>-1 519 344 455,17</u>

STORA ENSO OYJ
PARENT COMPANY BALANCE SHEET

Assets		31.12.2008	31.12.2007
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS			
Intangible assets	13	68 684 297,65	90 144 635,14
Tangible assets	14	1 373 582 716,50	1 558 341 857,12
Investments	15		
Shares in Group companies		8 746 206 114,34	10 597 517 392,28
Other investments		1 062 443 133,57	1 203 039 921,70
TOTAL FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		11 250 916 262,06	13 449 043 806,24
CURRENT ASSETS			
Inventories	17	583 809 909,77	582 935 207,59
Long-term receivables	18	4 114 540,73	6 015 502,94
Short-term receivables	19	1 505 453 337,74	2 315 631 251,59
Cash and cash equivalents		145 290 647,27	183 064 970,68
TOTAL CURRENT ASSETS		2 238 668 435,51	3 087 646 932,80
		<u>13 489 584 697,57</u>	<u>16 536 690 739,04</u>
Shareholders' Equity and Liabilities			
SHAREHOLDERS' EQUITY			
Share capital	21	1 342 215 448,30	1 342 215 448,30
Share premium fund		5 484 669 300,73	5 484 669 300,73
Reserve fund		353 946 990,12	353 946 990,12
Retained profit (loss)		793 497 055,92	2 667 790 707,48
Profit (loss) for the period		-1 204 177 150,21	-1 519 344 455,17
TOTAL SHAREHOLDERS' EQUITY		6 770 151 644,86	8 329 277 991,46
ACCUMULATED APPROPRIATIONS			
	23	617 015 485,50	764 765 319,71
STATUTORY PROVISIONS			
	24	50 857 672,95	26 180 558,55
LIABILITIES			
Long-term liabilities	29	2 620 195 955,50	2 967 504 685,22
Current Liabilities	26, 27, 29	3 431 363 938,76	4 448 962 184,10
TOTAL LIABILITIES		6 051 559 894,26	7 416 466 869,32
		<u>13 489 584 697,57</u>	<u>16 536 690 739,04</u>

STORA ENSO OYJ

PARENT COMPANY CASH FLOW STATEMENT

	1.1.-31.12.2008	1.1.-31.12.2007
Cash Flow from Operating Activities:		
Net loss for the period	-1 204 177 150,21	-1 519 344 455,17
Reversal of non-cash items:		
Taxes	1 156 849,45	15 186 084,48
Appropriations	-147 749 834,21	-155 983 208,44
Extraordinary items	0,00	-108 397 558,38
Depreciation, amortisation and impairment	345 197 479,66	358 891 078,12
Fixed asset divestment profits and losses	608 947 835,57	2 258 420 572,10
Net financial income	427 134 545,37	-603 803 808,23
Interest received	99 887 909,36	84 234 378,08
Interest paid	-227 566 185,18	-322 499 245,01
Dividends received	1 041 136 874,61	725 240 729,27
Other financial items, net	-173 510 228,29	-190 153 856,71
Income taxes paid	21 530 664,51	-58 877 346,61
Change in net working capital	-108 885 911,51	-74 634 854,14
Cash Flow from Operating Activities:	683 102 849,13	408 278 509,36
Cash Flow from Investing Activities		
Acquisition of shares in Group companies	-67 888 783,11	-71 664 193,81
Investment in shares in other companies	-1 609 000,00	-32 612 388,52
Capital expenditure	-139 907 029,21	-199 824 265,24
Proceeds from disposal of subsidiary shares	167 474 740,96	215 477 193,35
Proceeds from disposal of shares in associated companies	435 870,38	1 143 677,90
Proceeds from disposal of other shares	2 388 293,80	2 801 817,47
Proceeds from sales of other fixed assets	5 363 360,93	7 732 160,01
Change in long-term receivables	-30 216 537,13	-127 026 110,05
Cash Flow from Investing Activities	-63 959 083,38	-203 972 108,89
Financing Activities		
Change in long-term liabilities	-523 254 915,81	-391 295 769,45
Change in short-term borrowings	-872 194 603,67	700 846 695,79
Group contributions received and distributed	109 935 102,00	170 491 840,00
Dividends paid	-354 878 994,15	-354 868 547,85
Share repurchases	0,00	223 846,32
Net Cash Flow from Financing Activities	-1 640 393 411,63	125 398 064,81
Net Change in Cash and Cash Equivalents	-1 021 249 645,88	329 704 465,28
Translation differences	-8 484 567,92	-1 848 389,52
Cash from merged companies	0,00	1 315 382,44
Cash and cash equivalents at start of year	1 539 809 093,89	1 210 637 635,69
Cash and Cash Equivalents at Year End	510 074 880,09	1 539 809 093,89

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the Income Statement 2008 2007

Note 1. Accounting principles

The Parent Company Financial Statements are prepared according to Generally Accepted Accounting Principles in Finland. The main 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

	2008 EUR 1000	2007 EUR 1000
Magazine Paper	271 844,8	269 194,2
Fine Paper	1 432 521,4	1 378 026,1
Packaging Boards	908 533,2	907 560,1
Forest	1 492 295,7	1 604 363,5
Other operations and internal sales	-670 961,5	-593 324,5
	3 434 233,6	3 565 819,4

Note 2b. Other operating income

Rent and equivalents	10 507 760,32	10 979 013,17
Profit on sale of fixed assets	5 767 019,89	4 329 205,69
Insurance compensation	50 032,29	210 176,93
Production and maintenance services	14 663 443,80	13 438 411,45
Subsidies, grants and equivalents	5 139 843,87	1 695 292,99
Administration services	86 366 324,22	85 531 550,08
Production services	105 401,65	125 717,93
Proceeds from sales of emission rights	29 996 391,08	4 160 322,85
Other operating income	7 105 845,33	5 006 828,92
	159 702 062,45	125 476 520,01

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the Income Statement	2008	2007
Note 3. Materials and services		
Materials and supplies		
Purchases during the period	2 033 569 759,49	2 097 824 008,60
Change in inventories + / -	<u>-57 283 892,79</u>	<u>-70 393 414,54</u>
	1 976 285 866,70	2 027 430 594,06
External services	<u>510 943 871,69</u>	<u>512 364 806,04</u>
Total materials and services	2 487 229 738,39	2 539 795 400,10

Note 4. Personnel costs and average number of employees

Wages and salaries	242 408 185,12	234 288 902,09
Statutory employer costs		
Pensions	47 203 901,50	37 364 796,84
Other personnel costs	<u>22 282 228,85</u>	<u>23 095 593,43</u>
Total personnel costs	311 894 315,47	294 749 292,36
Remuneration of members of the Board of Directors and CEO		
Salaries and fees	893 500,00	1 456 845,23
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	2 049	2 003
Blue-collar workers	<u>2 832</u>	<u>2 974</u>
Total	4 881	4 977

Note 5. Depreciation and impairments

Depreciation according to plan	202 034 349,25	295 991 078,12
Impairment of fixed assets	<u>143 163 130,41</u>	<u>62 900 000,00</u>
Total	345 197 479,66	358 891 078,12

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

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the income Statement	2008	2007
Note 6. Other operating expenses		
Product freight	341 767 898,33	332 961 526,90
Sales commissions	34 509 916,22	32 125 646,24
Rental costs	13 409 185,41	13 120 286,47
Administration and office services	195 347 863,48	226 219 915,56
Insurance premiums	5 937 418,75	6 550 765,21
Loss on sales of shares and equivalents	614 618 936,93	2 262 395 258,55
Change in environmental provisions	6 723 885,60	16 620 359,89
Other operating costs	56 090 262,52	9 831 000,04
Total other operating costs	<u>1 268 405 367,24</u>	<u>2 899 824 758,86</u>
Note 7. Auditor's fees		
Audit fees	772 957,76	3 089 915,69
Taxation advice	23 995,00	9 274,61
Other fees	182 956,68	276 221,68
	<u>979 909,44</u>	<u>3 375 411,98</u>
Note 8. Net financial items		
Dividend income		
From Group companies	1 033 947 746,25	700 740 153,37
From associated companies	7 046 362,66	24 220 034,00
Other	142 765,70	280 541,90
Total	<u>1 041 136 874,61</u>	<u>725 240 729,27</u>
Interest income from long-term investments		
From Group companies	31 967 695,36	28 556 203,03
Other	22 915 596,84	2 018 273,04
Total	<u>54 883 292,20</u>	<u>30 574 476,07</u>
Other interest and financial income		
From Group companies	28 124 245,85	56 396 342,72
Other	13 989 304,89	42 956 719,30
Total	<u>42 113 550,74</u>	<u>99 353 062,02</u>
Total interest income from long-term investments	96 996 842,94	129 927 538,09
Investment impairments		
Impairment of long-term investments	-1 241 587 104,45	0,00
Interest and other financial expenses		
Payable to Group companies	-102 555 674,10	-102 181 920,95
Other	-284 210 961,85	-149 182 538,18
Total	<u>-386 766 635,95</u>	<u>-251 364 459,13</u>
Total interest and other financial expenses	-1 628 353 740,40	-251 364 459,13
Total net financial items	-490 220 022,85	603 803 808,23
Net currency gain included in interest and financial expenses	-7 116 018,21	80 152 617,65

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the income Statement	2008	2007
Note 9. Extraordinary items		
Extraordinary income		
Group contributions received	0,00	110 247 630,00
	<u>0,00</u>	<u>110 247 630,00</u>
Extraordinary expenses		
Group contributions distributed	0,00	-312 528,00
Merger losses	0,00	-1 537 543,62
	<u>0,00</u>	<u>-1 850 071,62</u>
Total extraordinary items	0,00	108 397 558,38
Note 10. Appropriations		
Difference between depreciation according to plan and depreciation recognised in taxation	-147 749 838,63	-155 983 208,44
Note 11. Income tax		
Income tax on operations	1 156 849,45	15 186 084,48
	<u>1 156 849,45</u>	<u>15 186 084,48</u>
Note 12. Environmental costs		
Materials and services	31 358 697,05	31 933 924,36
Personnel costs	1 771 884,51	2 388 184,09
Depreciation and impairment charges	10 116 275,60	25 444 860,41
Total	<u>43 246 857,16</u>	<u>59 766 968,86</u>
Air quality protection	10 935 199,91	10 383 933,50
Waste water treatment	25 404 359,34	25 054 206,27
Waste management	3 170 152,99	3 509 387,98
Protection of soil and ground water	107 753,83	52 682,72
Prevention of noise and vibration	35 616,49	34 635,85
Protection of biodiversity and landscape	314 574,37	120 798,25
Research and development	5 475,00	66 300,89
Other environmental protection measures	3 273 725,23	20 545 023,40
Total	<u>43 246 857,16</u>	<u>59 766 968,86</u>

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Fixed assets and other long-term Investments

Note 13. Intangible assets

	Intangible rights	Other long-term expenditure	Goodwill	Total
Acquisition cost 1.1	142 852 040,73	4 697 307,88	108 895 720,23	256 445 068,84
Additions	6 888 923,63	0,00	0,00	6 888 923,63
Disposals	-4 652 260,43	0,00	0,00	-4 652 260,43
Reclassification	2 136 377,38	0,00	0,00	2 136 377,38
Acquisition cost 31.12	147 225 081,31	4 697 307,88	108 895 720,23	260 818 109,42
Accumulated depreciation, amortisation and impairment 1.1	-90 449 012,57	-4 475 700,90	-71 375 720,23	-166 300 433,70
Accrued depreciation on disposals and reclassifications	4 652 260,43	0,00	0,00	4 652 260,43
Depreciation for period	-19 728 816,50	-14 060,00	-10 720 000,00	-30 462 876,50
Impairment	-22 762,00	0,00	0,00	-22 762,00
Accumulated depreciation and amortisation 31.12	-105 548 330,64	-4 489 760,90	-82 095 720,23	-192 133 811,77
Increase in value	0,00	0,00	0,00	0,00
Net book value 31.12.2008	41 676 750,67	207 546,98	26 800 000,00	68 684 297,65
Net book value 31.12.2007	52 403 028,16	221 606,98	37 520 000,00	90 144 635,14

Note 14. Tangible assets

	Land and water	Buildings and structures	Plant and equipment	Other tangible assets	Total
Acquisition cost 1.1	28 825 916,48	663 996 785,10	3 190 900 359,65	171 768 453,41	4 055 491 514,64
Additions	52 000,00	5 183 817,89	84 197 733,59	736 387,19	90 169 938,67
Disposals	-84 470,95	-6 985 003,64	-71 238 515,54	-527 407,13	-78 835 397,26
Reclassification	0,00	7 009 119,10	35 063 841,79	1 510 851,56	43 583 812,45
Acquisition cost 31.12	28 793 445,53	669 204 718,45	3 238 923 419,49	173 488 285,03	4 110 409 868,50
Accumulated depreciation, amortisation and impairment 1.1		-294 404 231,42	-2 150 840 249,24	-105 584 530,55	-2 550 829 011,21
Accrued depreciation on disposals and reclassifications		6 641 166,64	70 900 209,93	508 034,27	78 049 410,84
Depreciation for period		-19 626 879,68	-142 876 075,51	-8 610 690,75	-171 113 645,94
Impairment	-70 202,24	0,00	0,00	0,00	-70 202,24
Impairment charges		-2 623 896,31	-139 557 470,10	-959 002,00	-143 140 368,41
Accumulated depreciation and amortisation 31.12	-70 202,24	-310 013 840,77	-2 362 373 584,92	-114 646 189,03	-2 787 103 816,96
Increase in value	4 516 601,73	0,00	0,00	0,00	4 516 601,73
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
Net book value 31.12.2007	33 412 720,45	369 592 553,68	1 040 060 110,41	66 183 922,86	1 509 249 307,40
Production plant and equipment					
Net book value 31.12.2008			871 906 877,00		
Net book value 31.12.2007			1 032 388 599,25		

Advance payments and acquisitions in progress

	Intangible assets	Buildings and structures	Plant and equipment	Other tangible assets	Total
Acquisition cost 1.1	3 198 665,60	7 261 732,05	36 951 803,79	1 680 348,27	49 092 549,71
Additions	7 120 531,38	95 427,52	35 595 735,43	36 468,16	42 848 162,49
Disposals	0,00	0,00	0,00	0,00	0,00
Depreciation for period	0,00	0,00	-438 823,81	0,00	-438 823,81
Reclassification	-2 146 398,20	-6 940 963,87	-34 958 473,49	-1 674 354,27	-45 720 189,83
Acquisition cost 31.12	8 172 798,78	416 195,70	37 150 241,92	42 462,16	45 781 698,56

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Fixed assets and other long-term investments

Environmental protection	2008	2007
Tangible assets		
Capitalised environmental expenditure		
Acquisition cost 1.1	81 427 744,26	88 725 344,87
Additions	6 392 410,01	18 147 259,49
Disposals	10 116 275,60	25 444 860,10
Total	77 703 878,67	81 427 744,26
Air quality protection	29 539 561,64	32 445 389,79
Waste water treatment	43 922 990,74	45 408 099,41
Waste management	2 629 319,29	2 478 483,58
Soil and ground water protection	1 288 763,00	810 699,89
Noise and vibration prevention	265 450,00	285 071,59
Total	77 646 084,67	81 427 744,26

In 2008 and 2007 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

	2008	2007
Parent Company		
Group companies		
Shares	8 746 206 114,34	10 597 517 392,28
Loan receivables	<u>318 385 667,28</u>	<u>542 897 257,54</u>
Total	9 064 591 781,62	11 140 414 649,82
Associated companies		
Shares	67 951 299,44	83 077 738,13
Loan receivables	<u>35 200 000,00</u>	<u>26 500 000,00</u>
Total	103 151 299,44	109 577 738,13
Other		
Shares, book value	317 719 791,70	319 733 010,18
Shares, appreciation	115 027 521,16	115 027 521,16
Other receivables	<u>208 158 853,99</u>	<u>115 804 394,69</u>
	640 906 166,85	550 564 926,03
	<u>Market value</u>	<u>Market value</u>
	EUR	EUR
Stock exchange companies	891 499,83	1 949 946,23

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Emission rights

On 1 January 2008 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 1.6 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 16.10 per tonne and the total value EUR 2.1 million.

Note 16. Receivables from Group Management

There were no receivables from Group Management

Current assets	2008	2007
-----------------------	------	------

Note 17. Inventories

Materials and supplies	281 568 719,09	224 284 826,30
Work in progress	21 083 719,01	18 480 424,04
Finished goods	215 582 183,23	260 294 810,03
Other inventories	65 575 288,44	79 875 147,22
	<u>583 809 909,77</u>	<u>582 935 207,59</u>

Receivables

Note 18. Long-term receivables

Other receivables	4 114 540,73	6 015 502,94
Total long-term receivables	4 114 540,73	6 015 502,94

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 19. Short-term receivables	2008	2007
Short-term receivables	280 309 401,12	213 033 410,43
Receivables from Group companies		
Trade receivables	74 370 001,75	195 106 802,64
Other receivables	103 219 535,80	110 389 253,84
Accrued income	<u>3 065 669,00</u>	<u>3 312 252,33</u>
Total	180 655 206,55	308 808 308,81
Receivables from associated companies		
Trade receivables	3 146 427,29	2 432 956,18
Other receivables	<u>84 093,50</u>	<u>92 502,90</u>
Total	3 230 520,79	2 525 459,08
Other receivables	38 604 896,93	43 213 093,93
Accrued income	19 822 115,63	52 056 392,87
Total short-term receivables	522 622 141,02	619 636 665,12
Short-term interest-bearing receivables		
Receivables from Group companies		
Loan receivables	150 264 007,77	52 624 372,44
Interest-bearing receivables	323 424 334,89	53 454 078,01
Other securities	<u>326 242 498,42</u>	<u>864 701 845,85</u>
Total	799 930 841,08	970 780 296,30
Receivables from associated companies		
Loan receivables	1 000 000,00	0,00
Interest-bearing receivables	1 015 544,79	741 936,17
Other securities	<u>1 947 240,51</u>	<u>0,00</u>
Total	3 962 785,30	741 936,17
Loan receivables		0,00
Interest-bearing receivables	121 727 511,09	143 486 970,31
Other securities	57 210 059,25	580 985 383,69
Total short-term interest-bearing receivables	982 831 196,72	1 695 994 586,47
Significant accruals		
Commodity contract accruals from Group	1 699 298,91	780 276,20
Other accruals from Group	1 366 370,09	2 531 976,13
Accrued income taxation	0,00	22 687 513,96
Accrued annual discounts	1 596 000,00	2 198 634,00
Accrued insurance payments	520 092,21	555 998,37
Commodity contract accruals	5 084 041,97	7 275 187,37
Personnel cost items	0,00	253 360,45
Other accruals	<u>12 621 981,45</u>	<u>19 085 698,72</u>
	22 887 784,63	55 368 645,20

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 20. Capitalised interest, buildings, plant and equipment

	2008	2007
Buildings and structures		
Capitalised interest 1.1	563 983,00	849 810,00
Additions 1.1-31.12	0,00	0,00
Disposals 1.1 - 31.12	20 671,00	285 827,00
Capitalised interest 31.12	543 312,00	563 983,00
Plant and equipment		
Capitalised interest 1.1	3 407 424,00	4 897 334,00
Additions 1.1-31.12	0,00	0,00
Disposals 1.1 - 31.12	494 571,00	1 489 910,00
Capitalised interest 31.12	2 912 853,00	3 407 424,00
Other tangible assets		
Capitalised interest 1.1	387 872,00	427 069,00
Additions 1.1-31.12	0,00	0,00
Disposals 1.1 - 31.12	30 706,00	39 197,00
Capitalised interest 31.12	357 166,00	387 872,00
Other long-term expenses		
Capitalised interest 1.1	0,00	35 585,00
Disposals 1.1 - 31.12	0,00	35 585,00
Capitalised interest 31.12	0,00	0,00
Total		
Capitalised interest 1.1	4 359 279,00	6 209 798,00
Additions 1.1-31.12	0,00	0,00
Disposals 1.1 - 31.12	545 948,00	1 850 519,00
Capitalised interest 31.12	3 813 331,00	4 359 279,00

Note 21. Shareholders' equity

Share capital 1.1	1 342 215 448,30	1 342 215 448,30
Share capital 31.12	1 342 215 448,30	1 342 215 448,30
Share premium fund 1.1.	5 484 669 300,73	
Share premium fund as presented in financial statements for 31.12.2007:		3 972 840 713,93
Restatement in 31.12.2007 financial statements		
Transfer from retained earnings		1 511 828 586,80
Share premium fund 31.12.	5 484 669 300,73	5 484 669 300,73
Reserve fund 1.1. and 31.12.	353 946 990,12	353 946 990,12
Retained profit from previous periods 1.1.	1 148 446 252,31	
Retained profit from previous periods as presented in financial statements for 31.12.2007:		4 534 313 867,31
Restatement in 31.12.2007 financial statements		
Transfer to share premium fund (2001-2006)		-1 511 828 586,80
Dividend distribution	-354 878 994,15	-355 292 324,55
Dividend distributed to own shares	0,00	423 776,70
Purchase/sale of own shares	0,00	223 846,32
Decrease in shareholders' equity	0,00	0,00
Decrease due to sale of fixed assets	-70 202,24	-49 871,50
Retained profit from previous periods 31.12.	793 497 055,92	2 667 790 707,48
Loss for the period	-1 204 177 150,21	-1 519 344 455,17
Distributable shareholders' equity		
Non-restricted shareholders' equity 31.12.	-410 680 094,29	
Non-restricted shareholders' equity as presented in financial statements for 31.12.2007:		2 660 274 839,11
Restatement in 31.12.2007 financial statements		-1 511 828 586,80
Distributable shareholders' equity 31.12.	-410 680 094,29	1 148 446 252,31

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

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

Counter value (nominal value) EUR 1.70 per share

	A shares	R shares	
Share capital 31.12.2008	301 159 218	1 041 056 231	1 342 215 448

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 23. Accumulated appropriations	2008	2007
Depreciation difference		
Intangible rights	2 832 691,86	3 522 312,62
Goodwill	5 360 000,00	5 360 000,00
Other long-term expenditure	193 504,98	150 371,98
Buildings and structures	129 705 577,48	133 040 665,48
Plant and equipment	445 438 295,18	585 375 212,41
Other tangible assets	33 485 416,00	37 316 757,22
	<u>617 015 485,50</u>	<u>764 765 319,71</u>

Note 24. Statutory provisions

Other statutory provisions		
Restructuring provisions	17 470 252,38	569 252,38
Environmental provisions	18 887 420,57	25 611 306,17
Other provisions	14 500 000,00	0,00
	<u>50 857 672,95</u>	<u>26 180 558,55</u>

Note 25. Deferred tax liabilities and receivables

Deferred tax liability due to depreciation difference	160 424 026,23	198 838 983,12
Deferred tax receivable due to loss	-96 624 323,49	0,00
Deferred tax receivable due to provisions	-17 039 872,47	-13 380 161,48
Total deferred tax liability	<u>46 759 830,27</u>	<u>185 458 821,64</u>

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

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 26. Short-term interest-bearing liabilities	2008	2007
Liabilities to Group companies		
Other short-term loans	2 100 589 127,47	2 896 327 215,23
Interest due	<u>31 602 705,45</u>	<u>104 595 362,39</u>
Total	2 132 191 832,92	3 000 922 577,62
Other short-term loans	121 820 578,54	337 471 563,48
Interest due	394 309 846,74	141 564 559,80
Total short-term interest-bearing liabilities	2 648 322 258,20	3 479 958 700,90
 Note 27. Other short-term liabilities		
Advances received	819 210,39	690 381,24
Trade payables	111 779 687,03	161 549 006,23
Liabilities to Group companies		
Advances received	165,62	2 778,02
Trade payables	60 190 557,34	66 360 804,64
Other liabilities	42 822,25	43 063,28
Accrued liabilities and deferred income	<u>8 798 470,79</u>	<u>18 522 945,50</u>
Total	69 032 016,00	84 929 591,44
Liabilities to associated companies		
Trade payables	<u>3 613 756,79</u>	<u>1 111 147,86</u>
Total	3 613 756,79	1 111 147,86
Other liabilities	31 939 875,18	40 360 671,66
Accrued liabilities and deferred income	166 184 477,84	192 059 278,34
Total other short-term liabilities	383 369 023,23	480 700 076,77
 Significant accrued liabilities and deferred income		
Provision for restructuring	16 680 298,09	25 281 601,00
Payroll payments, accrued	58 846 540,55	57 751 431,89
Annual discounts	37 542 883,85	22 966 655,24
Uninvoiced items	17 934 350,78	31 978 482,26
Other accrued liabilities and deferred income	<u>45 978 875,36</u>	<u>72 604 053,45</u>
	174 982 948,63	210 582 223,84

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 28. Commitments and contingencies	31.12.2008	31.12.2007
On own behalf, for own debt		
Pledges given	840 939,63	840 939,63
Mortgages	11 438 157,00	11 370 881,00
For Group debt		
Guarantees	434 485 834,93	504 216 869,91
On behalf of associated companies		
Mortgages		
Guarantees	180 418 186,29	245 260 727,99
On behalf of others		
Guarantees	152 901 102,52	112 582 344,13
Other commitments, own		
Leasing commitments, in next 12 months	1 929 482,07	2 170 245,09
Leasing commitments, after next 12 months	1 671 504,26	2 298 253,64
Rents	15 349,15	4 877,45
Other contingencies	373 721,00	249 191,00
Total		
Pledges given	840 939,63	840 939,63
Mortgages	11 438 157,00	11 370 881,00
Guarantees	767 805 123,74	862 059 942,03
Leasing commitments	3 600 986,33	4 468 498,73
Rents	15 349,15	4 877,45
Other contingencies	373 721,00	249 191,00
Total	784 074 276,85	878 994 329,84

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 29. Interest-bearing debt

Repayment schedule of long-term debt including amortisation 31.12.2008.

	2009	2010	2011	2012	2013	2014 -	Total EUR 1,000
Bonds	335 317	525 000	335 008	0	0	1 221 043	2 416 368
Loans from credit institutions	64 356	196 592	25 360	68 800	0	43 113	398 221
Pension loans	0	0	25 000	25 000	25 000	125 000	200 000
Other long-term liabilities	0	0	167	167	167	100	601
Other long-term liabilities from forest sellers	0	1 101	441	4	3 133	0	4 679
Other long-term liabilities to Group companies	0	0	0	0	0	0	0
	399 673	722 693	385 976	93 971	28 300	1 389 256	3 019 869

Bonds

	Interest rate %	Currency	Original loan capital	Carrying Value 31.12.2007	Carrying Value 31.12.2008
Fixed rate					
1993-2019	8,600	USD	50,0	40,5	42,1
2001-2011	7,375	USD	750,0	316,3	335,0
2004-2014	5,125	EUR	517,6	485,9	490,1
2004-2009	3,875	SEK	4640,0	491,1	335,3
2005-2010	3,250	EUR	500,0	500,0	500,0
2006- 2016	6,404	USD	507,9	330,3	351,6
2006- 2036	7,250	USD	300,0	201,1	212,9
2006-2015	3,500	SEK	500,0	56,9	49,5
Loans matured and extinguished in 2008				64,9	
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	50,0	50,0
Loans matured and extinguished in 2008				259,4	
				<u>2846,3</u>	<u>2416,4</u>

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 30. Fair values of financial instruments

Open agreements for risk management purposes 31.12.2008 EUR million

Fair value	31.12.2008	31.12.2007
------------	------------	------------

Interest Rate Derivatives

Interest rate swaps	227,2	59,4
Interest rate options	-38,0	-4,9
Total interest rate derivatives	189,2	54,5

Currency Derivatives

Forward contracts	89,4	-16,9
Cross-currency swap agreements	0,0	0,0
Currency options	-26,7	8,9
Total currency derivatives	62,7	-8,0

Commodity Derivatives

Energy and paper derivatives	1,1	28,4
------------------------------	-----	------

Equity swaps

Equity swaps	-53,1	-34,3
--------------	-------	-------

Nominal value

Interest Rate Derivatives

Interest rate swaps	4617,8	4 705,2
Interest rate options	394,3	451,6
Total interest rate derivatives	5012,1	5 156,8

Currency Derivatives

Forward contracts	6188,1	929,2
Cross-currency swap agreements	0,0	0,0
Currency options	2376,8	3 569,5
Total currency derivatives	8564,9	4 498,7

Commodity Derivatives

Energy and paper derivatives	1066,2	676,0
------------------------------	--------	-------

Equity swaps

Equity swaps	158,2	213,9
--------------	-------	-------

STORA ENSO OYJ

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

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