

Shares and Shareholders

Share Capital

In accordance with the Articles of Association, the minimum share capital of Stora Enso Oyj (later referred to as "Company" or "Stora Enso") is EUR 850 million and the maximum EUR 3 400 million within which limits the share capital may be increased or decreased without amending the Articles of Association. The counter value of the shares is

EUR 1.70 per share. On 31 December 2002 the Company's fully paid-up share capital entered in the Finnish Trade Register was EUR 1 529.6 million. In December 2002, 3 000 new series R shares were subscribed under 1997 warrants and registered in the Finnish Trade Register on 9 January 2003.

Changes in Share Capital 1998–2002

	No. of A Shares Issued	No. of R Shares Issued	Total No. of Shares	Share Capital (FIM million)	Share Capital (EUR million)
Enso Oyj, 1 Jan 1998	116 729 125	194 361 705	311 090 830	3 110.9	
Conversion of A shares into R shares, 7–11 Sep 1998	-1 357 954	1 357 954			
Conversion of STORA A and B shares into Stora Enso Oyj A and R shares, 23 Dec 1998	128 023 484	320 465 375	448 488 859	1 374.0	
Stora Enso Oyj, 31 Dec 1998	243 394 655	516 185 034	759 579 689	7 595.8	
Conversion of A shares into R shares, 6–24 Sep 1999	-34 443 467	34 443 467			
Subscription of new R shares, 26 Oct 1999		30 000	30 000		
Stora Enso Oyj, 31 Dec 1999	208 951 188	550 658 501	759 609 689	7 596.1	
Subscription of new R shares, 26 Jan 2000		246 000	246 000		
Conversion of share capital into euro denomination, 4 May 2000					1 291.8
Share issue (Consolidated Papers, Inc.), new R shares in ADR form, 11 Sep 2000		167 367 577	167 367 577		284.5
Conversion of A shares into R shares, 16–27 Oct 2000	-14 454 732	14 454 732			
Stora Enso Oyj, 31 Dec 2000	194 496 456	732 726 810	927 223 266		1 576.3
Subscription of new R shares, 5 Jan 2001		312 000	312 000		
Subscription of new R shares, 16 Mar 2001		964 201	964 201		
Cancellation of repurchased shares, 9 Apr 2001	-910 600	-22 260 100	-23 170 700		-39.4
Subscription of new R shares, 29 May 2001		228 000	228 000		
Subscription of new R shares, 20 Jul 2001		773 522	773 522		
Conversion of A shares into R shares, 17–28 Sep 2001	-9 312 271	9 312 271			
Subscription of new R shares, 17 Oct 2001		238 287	238 287		
Subscription of new R shares, 29 Nov 2001		184 723	184 723		
Stora Enso Oyj, 31 Dec 2001	184 273 585	722 479 714	906 753 299		1 541.5
Subscription of new R shares, 10 Jan 2002		1 158 000	1 158 000		
Cancellation of repurchased shares, 3 Apr 2002	-813 200	-7 319 800	-8 133 000		-13.8
Conversion of A shares into R shares, 16–27 Sep 2002	-1 143 700	1 143 700			
Stora Enso Oyj, 31 Dec 2002	182 316 685	717 461 614	899 778 299		1 529.6
Subscription of new R shares, 9 Jan 2003		3 000	3 000		
Stora Enso Oyj, 9 Jan 2003	182 316 685	717 464 614	899 781 299		1 529.6

Shares and Voting Rights

The Company's shares are divided into series A and series R shares. All shares carry equal rights to dividend but different voting rights. At a Shareholders' Meeting, each A share and each ten R shares carry one vote. However, each shareholder has at least one vote. On 31 December 2002 the total number of shares was 899 778 299 and the number of votes 254 062 846.

Share Listings

Stora Enso shares are listed on the Helsinki and Stockholm stock exchanges. The R share is also listed in ADR form on the New York Stock Exchange. The shares are quoted in Helsinki in euro (EUR), in Stockholm in Swedish krona (SEK) and euro (EUR) and in New York in US dollar (USD).

American Depositary Receipts (ADRs)

Stora Enso R shares have been traded on the New York Stock Exchange (NYSE) in ADR form since 13 September 2000 under the SEO ticker. ADR issuances and cancellations are carried by Citibank, N.A., which acts as depositary bank for the Stora Enso ADR programme. The exchange rate between Stora Enso ADRs and R shares is 1:1, i.e. one ADR represents one Stora Enso R share. In 2002 the trading volume on the NYSE was approximately 2% of the cumulative trading volume on all three exchanges.

Share Registers

The Company's shares are entered in the Book-Entry Securities System maintained by the Finnish Central Securities Depository (APK), which also maintains the official share register of Stora Enso Oyj. On 31 December 2002, 238 563 014 of the Company's shares were registered in the Swedish Securities Register Center as VPC shares and 101 964 446 of the Company's R shares were registered in ADR form in Citibank, N.A.

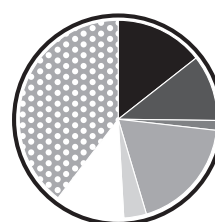
Distribution by Book-Entry System, 31 December 2002

Number of Shares	A Shares	R Shares	Total
FCSD registered (Finnish Central Securities Depository)	107 242 849	452 006 990	559 249 839
VPC registered (Swedish Securities Register Center)*	75 073 836	163 489 178	238 563 014
Citibank administered ADRs*	-	101 964 446	101 964 446
FCSD waiting list	-	1 000	1 000
FCSD joint account	-	-	-
Total	182 316 685	717 461 614	899 778 299

*VPC registered shares and ADRs are both nominee registered in the FCSD

Ownership Distribution, 31 December 2002	% of Shares	% of Votes	% of Share- holders
● Finnish institutions	14.4	22.2	2.3
● Finnish state	10.8	23.5	0.0
● Finnish private shareholders	1.6	1.7	29.0
● Swedish institutions	18.6	31.1	4.4
● Swedish private shareholders	3.7	3.1	58.6
○ ADR holders	11.3	4.0	3.8
⊗ Under nominee names (non-Finnish/ non-Swedish shareholders)	39.6	14.4	1.9

% of shares held



Share Distribution 31 December 2002

By Size of Holding, A Share	Shareholders	%	Shares	%
1-100	2 375	36.6	130 522	0.1
101-1 000	3 354	51.7	1 320 635	0.7
1 001-10 000	695	10.7	1 742 914	1.0
10 001-100 000	53	0.8	1 302 578	0.7
100 001-1 000 000	3	0.1	1 355 966	0.7
1 000 001-	8	0.1	176 464 070	96.8
Total	6 488	100.0	182 316 685	100.0

By Size of Holding, R Share	Shareholders	%	Shares	%
1-100	4 981	26.7	340 276	0.1
101-1 000	10 550	56.5	4 488 988	0.6
1 001-10 000	2 760	14.8	7 617 235	1.1
10 001-100 000	301	1.6	8 763 311	1.2
100 001-1 000 000	83	0.4	26 767 833	3.7
1 000 001-	14	0.1	669 484 971	93.3
Total	18 689	100.0	717 462 614	100.0

According to the Finnish Central Securities Depository

Conversion

According to the Articles of Association, holders of Stora Enso A shares may convert these shares into R shares during an annual period determined by the Board of Directors. During the conversion period 16-27 September 2002 a total of 1 691 requests for conversion were made. On the basis of these requests 1 143 700 A shares were converted into R shares. The shares were registered on 3 October 2002.

Authorisations for 2002

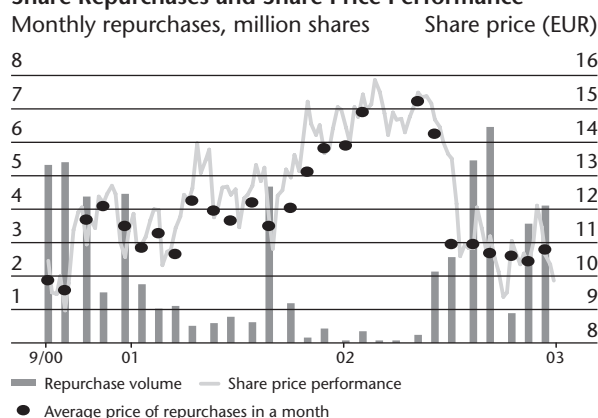
The Annual General Meeting (AGM) on 19 March 2002 authorised the Board of Directors to repurchase and dispose of not more than 9 100 000 A shares and not more than 35 500 000 R shares in the Company. The number of shares repurchased shall not exceed 5% of the votes or the share capital. The authorisation is valid up to and including 18 March 2003. The Board of Directors currently has no authorisations to issue shares, convertible bonds or bonds with warrants.

Share Repurchases and Cancellations

The (AGM) on 19 March 2002 decided to lower the Company's share capital by EUR 13 826 100 through the cancellation of 813 200 A shares and 7 319 800 R shares. The shares were repurchased under the authorisation of the AGM 2001.

Repurchases under the AGM 2002 authorisation were initiated on 24 May 2002. By 31 December 2002, 85 400 A shares and 25 326 834 R shares had been repurchased, representing 0.9% and 71.3% of the target amounts respectively. The average price paid for the A shares was EUR 11.84 and for the R shares EUR 11.09.

Share Repurchases and Share Price Performance



Option/Synthetic Option Programmes

Option/Synthetic Option Programmes

Stora Enso has four option/synthetic option programmes for key personnel. The years of issuance for the options/synthetic options are 1999, 2000, 2001 and 2002. Depending on local circumstances, holders will receive either cash compensation or an option to purchase shares already issued (not new shares).

Warrants

The management option programme comprises warrants issued in 1997 to members of the senior

management. One warrant entitles the holder to subscribe for 3 000 new R shares.

Stora Enso North America Option Programme

Following the acquisition of Consolidated Papers, Inc. the Board of Directors decided to convert the Consolidated Papers' share option plans into Stora Enso share option plans. The options entitle the holder to either cash compensation or an option to subscribe for shares already issued (not new shares).

Option programmes are described in detail in Note 24.

Option Programmes

Option Programme	Type	Year of issuance	Number of Staff	Strike Price	Number of Options Issued	Exercise Period	Options Outstanding
2002	Synthetic	2002	1 000	EUR 16.50	5 902 000	8 Feb 2005– 7 Feb 2009	5 902 000
2001	Synthetic	2001	500	EUR 11.70	4 215 000	1 Apr 2004– 31 Mar 2008	4 215 000
2000	Synthetic	2000	200	EUR 12.25	2 800 000	1 Apr 2003– 31 Mar 2007	2 800 000
1999	Synthetic	1999	200	EUR 11.75	2 750 000	15 Jul 2002– 15 Jul 2006	2 750 000
1997	Warrants	1997	15	FIM 45.57 (EUR 7.66)	3 000 000	1 Dec 1998– 31 Mar 2004	864 000
North America	Stock options	2000	839	USD 6.9687 (EUR 7.91)	5 680 000	11 Sep 2000– 4 Feb 2010	2 469 984

Management Interests at 31 December 2002

At the end of 2002 members of Stora Enso Oyj's Board of Directors, the CEO and the Deputy CEO owned an aggregate total of 2 803 921 Stora Enso shares, of which 19 275 were A shares. These shares represent 0.3% of the Company's share capital and 0.1% of the voting rights. Through warrants the CEO is entitled to subscribe for 102 000 R shares representing 0.0% of the Company's share capital and voting rights. The CEO holds 442 500 options/synthetic options and the Deputy CEO 363 750.

At the end of 2002 members of the Management Group owned a total of 154 904 shares and through warrants were entitled to subscribe for 532 468 R shares. Management Group ownership represents

0.1% of the share capital and 0.0% of the voting rights after the exercise of the warrants. The Management Group holds 3 143 750 options/synthetic options.

Further information on Board and Management Group ownerships is given in Notes 17 and 24.

Shareholdings of Other Group-related Bodies at 31 December 2002

1 880 540 A shares and 4 831 804 R shares were owned by E.J.Ljungberg's Education Fund, 5 096 A shares and 13 085 R shares by Mr. and Mrs. Ljungberg's Testamentary Fund and 626 269 A shares and 1 609 483 R shares by Bergslagens Healthcare Foundation.

Shareholders

When shareholders with holdings of more than 5% of the shares or votes are excluded, the free float of shares is approximately 717 million, corresponding to 80% of the total number of shares issued. The largest single shareholder in the Company is the Finnish State. However, since June 1998 the Finnish State has not been required to own Stora Enso shares.

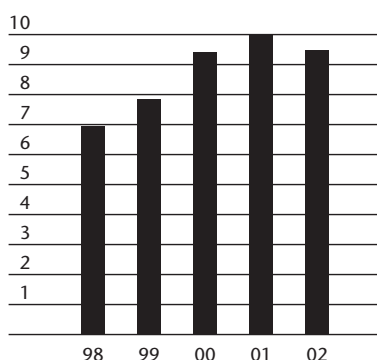
At the end of 2002 the Company had approximately 75 000 registered shareholders, of which about 50 000 are Swedish shareholders and about 3 000 ADR holders. Each nominee register is entered in the share register as one shareholder. Approximately 657 million (73%) of the Company's shares were registered in the name of a nominee.

Major Shareholders as of 31 December 2002

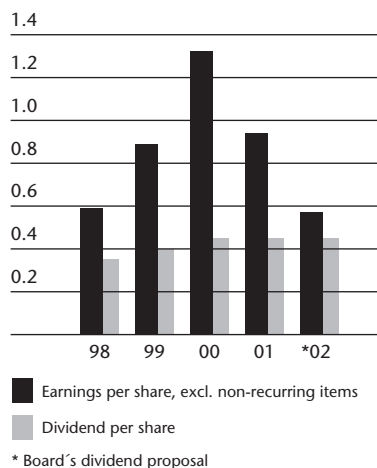
By Voting Power	Series A	Series R	% of Shares	% of Votes
1 Finnish State	55 595 937	41 483 501	10.8	23.5
2 Knut and Alice Wallenberg Foundation	58 379 194	-	6.5	23.0
3 Social Insurance Institution of Finland	23 825 086	3 738 965	3.1	9.5
4 Varma-Sampo Mutual Pension Insurance Group	8 922 117	140 874	1.0	3.5
5 Sampo Group Sampo Life Insurance Company Limited If P&C Insurance Company Ltd	6 485 589	-	0.7	2.6
6 Marianne and Marcus Wallenberg Foundation	4 744 192	-	0.5	1.9
7 Ilmarinen Mutual Pension Insurance Company	3 490 040	4 344 550	0.9	1.5
8 Suomi Group Suomi Mutual Life Assurance Company Suomi Insurance Company	3 240 000	423 200	0.4	1.3
9 Erik Johan Ljungberg's Education Fund	1 880 540	4 831 804	0.7	0.9
10 AMF Pensionförsäkrings AB	-	17 000 000	1.9	0.7
11 MP-Bolagen i Vetlanda AB Werner von Seydlitz	1 521 400	1 655 000	0.4	0.7
12 Robur	-	9 865 904	1.1	0.4
13 Bergslaget's Healthcare Foundation	626 269	1 609 483	0.2	0.3
14 Lamar Mary M (ADRs)	-	4 518 998	0.5	0.2
15 Handelsbanken CEA	380 855	708 435	0.1	0.2
Total	169 091 219	90 320 714	28.8	70.2
Nominee registered shares	75 378 219	581 796 741	73.0	52.6

The list has been compiled by the Company, on the basis of shareholder information obtained from Finnish Central Securities Depository (APK), VPC and a database managed by Citibank. In 2002, the Finnish State reported sales of Stora Enso shares on 4 April and 14 June.

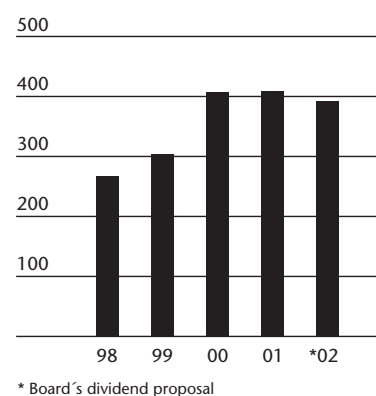
Equity per Share EUR



Earnings and Dividend per Share EUR



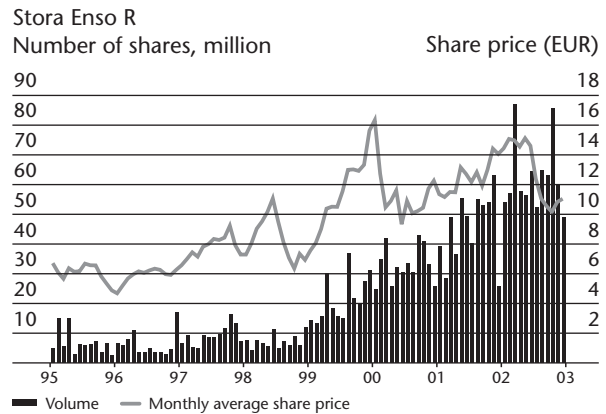
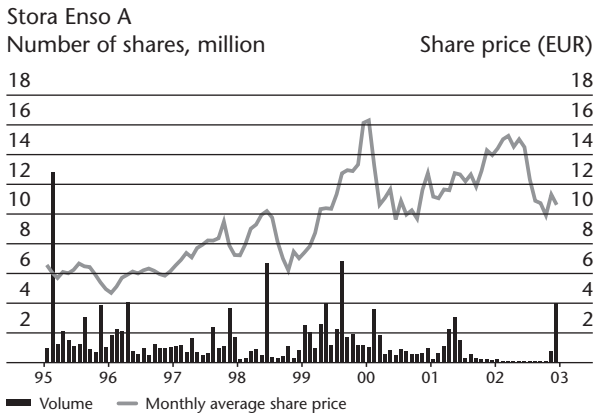
Distributed Dividend Amount EUR million



Share Price Performance and Volumes

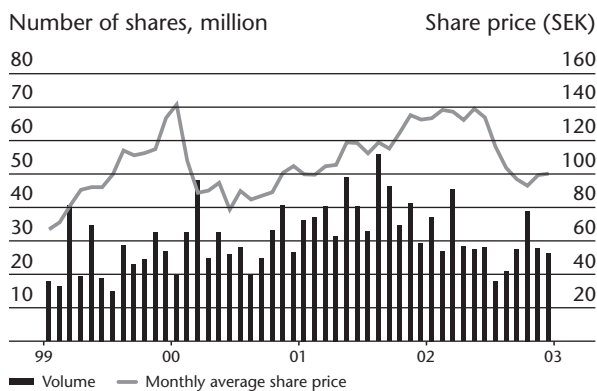
Helsinki

The Stora Enso R (STERV) share price fell during 2002 by 30% (10% increase in 2001). During the same period the HEX general index fell by 34%, the Helsinki portfolio index by 17% and the HEX forest index by 23%.



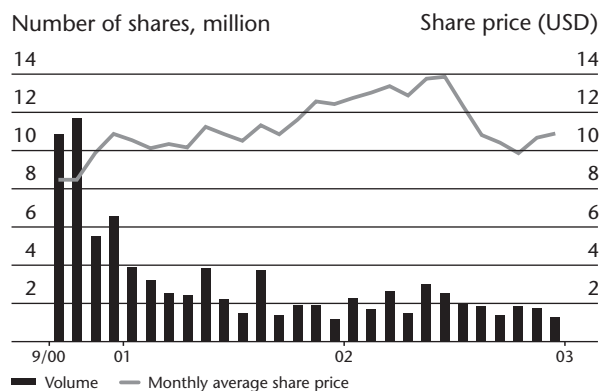
Stockholm

The Stora Enso R (STE R) share price fell during 2002 by 32% (19% increase in 2001). During the same period the Stockholmsbörsen All-Share index fell by 37% and the SX-15 Materials index by 10%.



New York

On the NYSE the Stora Enso ADR (SEO) share price fell during 2002 by 15% (4% increase in 2001). During the same period the Standard & Poor's Paper index fell by 2.3%.



Share Prices and Volumes 2002

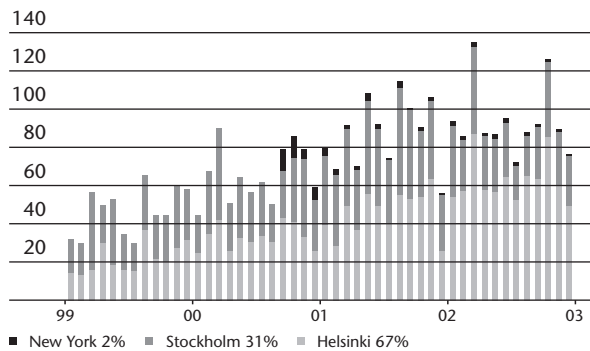
	Helsinki, EUR	Stockholm, SEK	New York, USD
High	Series A	16.00	146.00
	Series R	16.13	148.00
Low	Series A	8.50	78.00
	Series R	8.41	77.00
Closing, 31 Dec 2002	Series A	10.10	91.00
	Series R	10.05	90.50
Change from previous year	Series A	-29%	-32%
	Series R	-30%	-32%
Cumulative trading volume	Series A	5 875 221	2 526 585
	Series R	751 909 293	351 793 670

The volume-weighted average price of the R share over the year was EUR 12.86 in Helsinki (EUR 12.57 in 2001), SEK 119.50 in Stockholm (SEK 115.61 in 2001) and USD 12.29 in New York (USD 10.95 in 2001).

The cumulative trading volume in Helsinki was 751 909 293 shares (67% of total), in Stockholm 351 793 670 shares (31% of total) and in New York 23 768 900 shares (2% of total). Total market capitalisation in Helsinki at the year-end was EUR 9.1 billion.

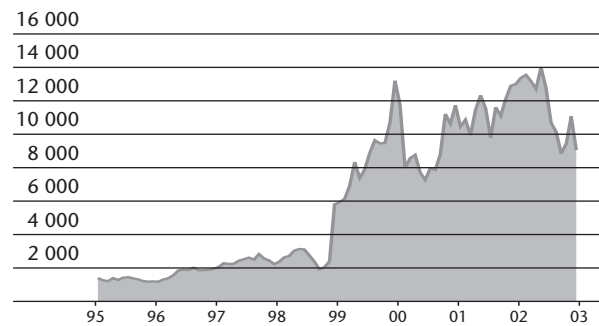
Monthly R Share Trading Volumes 1999–2002

Number of shares, million



Market Capitalisation on the Helsinki Exchanges

EUR million

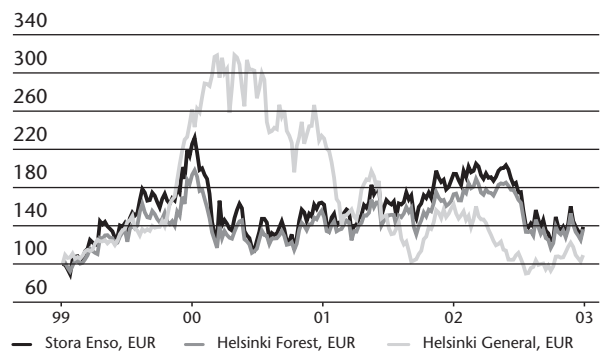


Stora Enso is included in at least the following indices

- HEX General Index
- HEX 25
- HEX Portfolio Index
- HEX Forest Index
- Stockholmsbörsen All-Share
- OMX Index
- SX 15 Materials
- DJ Stoxx
- DJ EURO STOXX Large and 600
- DJ Stoxx Nordic 30
- DJ STOXX Ex UK Large
- DJ Sustainability Index World
- DJ Sustainability Index EURO STOXX
- FTSE Eurotop 300
- FTSE Norex 30
- FTSE Global Basic Industries
- FTSE4Good Global and Europe Index
- MSCI Provisional Index

Stora Enso R Share versus Helsinki Exchanges' Indices

1.1.1999 = 100



Key Share Ratios 1997–2002 (for calculations see page 97)

According to Helsinki Exchanges	1997	1998	1999	2000	2001	2002
Earnings/share, EUR*	0.53	0.24	0.98	1.77	1.03	-0.25
-diluted, EUR*	0.53	0.24	0.98	1.76	1.03	-0.25
-excluding non-recurring items, EUR*	0.58	0.59	0.89	1.32	0.94	0.57
Cash earnings/share, EUR*	1.63	1.79	2.18	3.16	2.43	2.49
-excluding non-recurring items, EUR*	1.65	1.80	2.09	2.61	2.34	1.97
Equity/share, EUR*	7.28	6.94	7.84	9.41	10.03	9.36
Dividend/share, EUR*	0.33	0.35	0.40	0.45	0.45	0.45**
Payout ratio, excluding non-recurring items, %*	57	59	45	34	48	79
Dividend yield, %*						
A Share	4.6	4.6	2.3	3.5	3.2	4.5
R Share	4.6	4.6	2.3	3.6	3.1	4.5
Price/earnings ratio (P/E), excluding non-recurring items*						
A Share	12.3	12.8	19.8	9.7	15.1	17.7
R Share	12.2	13.0	19.4	9.5	15.3	17.6
Share prices for the period, EUR***						
A Share						
-closing price	7.15	7.57	17.60	12.86	14.20	10.10
-average price	7.75	9.14	11.21	12.01	12.24	11.24
-high	9.86	11.77	17.60	18.70	15.50	16.00
-low	6.22	5.40	6.45	8.95	10.10	8.50
R Share						
-closing price	7.10	7.67	17.31	12.60	14.38	10.05
-average price	7.97	8.35	11.84	11.27	12.57	12.86
-high	10.01	11.86	17.70	19.00	15.67	16.13
-low	6.17	5.30	6.60	8.70	10.12	8.41
Market capitalisation at year-end, EUR million***						
A Share	834	1 842	3 677	2 501	2 617	1 841
R Share	1 379	3 959	9 532	9 232	10 389	7 211
Total	2 214	5 801	13 209	11 733	13 006	9 052
Number of shares at end of period, (thousands)***						
A Share	116 729	243 395	208 951	194 496	184 274	182 317
R Share	194 362	516 185	550 659	732 727	723 638	717 462
Total	311 091	759 580	759 610	927 223	907 912	899 779
Trading volume, (thousands)						
A Share	16 321	12 749	28 349	12 917	10 737	5 875
% of total number of A shares****	9.4	-	12.1	6.7	5.8	3.2
R Share	109 698	87 113	259 287	396 783	548 547	751 909
% of total number of R shares****	80.3	-	49.3	55.4	75.8	104.8
Average number of shares (thousands)						
-basic*	759 574	759 574	759 580	812 040	901 506	889 606
-diluted*	759 691	759 822	760 628	813 488	902 296	889 956

*Proforma STORA and Enso figures for years 1997-1998. **Board of Directors' proposal to the AGM. ***Figures based on market information are calculated from Enso Oyj's figures before 29 December 1998. ****1998 figures are not available due to the merger on 29 December 1998, figures before 1998 are based on Enso Oyj's figures.