

On 25 January 2005 Stora Enso signed a new EUR 1.75 billion syndicated credit facility agreement with a group of 23 banks. The five year facility is for general corporate purposes, including the refinancing of an existing EUR 2.5 billion syndicated facility, and has a margin of 0.275% p.a. over Euribor.

In February 2003 Stora Enso Timber acquired a 66% interest in the sawmilling operations AS Sylvester, Estonia largest such company with extensive interest in the Baltic States. The original purchase agreement included an option to buy out the remaining AS Sylvester minority for a consideration to be determined by performance targets; this option has now been exercised and the purchase is expected to be completed in the first quarter of 2005 upon which, subject to 3.82% minority in the Imavere sawmill operation, Stora Enso Timber's Baltic operations will become 100% owned.

Stora Enso is in negotiations to acquire a leading French paper merchant, Papeteries de France, from International Paper. The company has net sales of about EUR 160 million, employing some 220 staff in France, and would become part of the Stora Enso Merchant division. The acquisition is expected to be closed late in the first quarter of 2005, subject to formal processes and approval by regulatory authorities. This acquisition is a further step in strengthening the Stora Enso Merchant presence in France and Western Europe following the decision to develop this segment as a core business area.