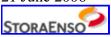
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Jun. 20, 2006

<u>Centre</u> **Press** 2006

Stora Enso increases loan facility for its releases operations in China

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Stora Enso Oyj Stock Exchange Release 20 June 2006 at 06:00 GMT

In line with its new growth markets strategy, Stora Enso is focusing on profitable expansion in China by prioritising local sustainable fibre supply and by targeting investments in the growing markets and product segments. all

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Stora Enso has today signed a new loan agreement with International Finance Corporation (IFC) increasing its loan facility to USD 300 million. The loan will be used to finance Stora Enso's current operations and future investments in China. The increased facility includes a USD 100 million IFC loan and a USD 200 million B loan syndicated to BNP Paribas, Calyon, Citigroup, The Bank of Tokyo-Mitsubishi UFJ, ING Bank, Nordea and Skandinaviska Enskilda Banken. The Company's first agreement with IFC for a USD 75 million loan was signed in June 2005.

In April 2006 Stora Enso formed a publication paper joint venture with Shandong Huatai Paper. The joint venture's paper machine is planned to have an annual production capacity of up to 200 000 tonnes of supercalendered magazine paper and other publication paper grades based on recovered fibre.

Since 1998 Stora Enso has had a paper mill at Suzhou that currently produces annually 240 000 tonnes of coated fine paper to the Chinese market.

In 2005 Stora Enso increased its plantations in the Guangxi province in southern China to approximately 60 000 hectares through land concession rights and wholly owned plantations.

In March 2006 Stora Enso and United Nations Development Programme (UNDP) China signed on agreement for co-operation to conserve biodiversity in Guangxi and to improve community well-being.

UNDP carried out an Environmental and Social Impact Assessment (ESIA) of the Guangxi plantations during last year. According to the results of the study, which included scenarios of up to 120 000 ha of plantations, there are no major environmental or social issues that could jeopardise Stora Enso's plantation project. Environmental impacts identified in the study will be managed with Stora Enso's good plantation management practices. In the social dimension, Stora Enso aims to continue and strengthen the

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engagement with local landholders and communities.

Stora Enso has gained solid experience of implementing environmental and social responsibility during its presence in China. "We aim to maintain good relationships with our stakeholders and to be seen as a first-rate example of how sustainability can be achieved in plantation and mill operations in China," says Markku Pentikäinen, Executive Vice President, Corporate Technology and Asia Pacific.

For further information, please contact:

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Markku Pentikäinen, Executive Vice President, Corporate Technology and Asia Pacific, Stora Enso, tel. +358 400 498 531

Previous press releases concerning Stora Enso's activities in China available at www.storaenso.com/press:

- 25 April 2006: Stora Enso has signed a joint-venture agreement with Shandong Huatai Paper
- 3 April 2006: Corenso expands in China
- 29 March 2006: Stora Enso to sign an agreement for co-operation with UNDP China
- 10 November 2005: Stora Enso strengthens its presence in Guangxi
- 10 June 2005: Stora Enso signs loan agreement with International Financing Corporation
- 31 March 2005: UNDP to Assess Environment and Social Impact of a Forestry Investment Project in Guangxi, China
- 28 October 2004: Stora Enso joint venture in China
- 4 February 2004: Stora Enso to modernise its fine paper machine at Suzhou, China

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