Stora Enso Interim Review January–March 2015
Solid quarter supported by foreign exchange tailwinds

Q1/2015 (compared with Q1/2014)
- **Sales at EUR 2 491 (EUR 2 568) million declined by 3.0%; sales excluding the structurally declining paper and divested businesses increased by 3.0% mainly due to ramp-up of Montes del Plata Pulp Mill.**
- **Operational EBIT EUR 220 (EUR 182) million, 20.9% higher than a year ago mainly due to foreign exchange gains and lower costs.**
- **EPS excluding non-recurring items EUR 0.15 (EUR 0.09).**
- **Cash flow from operations EUR 171 (EUR 152) million, cash flow after investing activities EUR 29 (EUR 20) million.**
- **Net debt to operational EBITDA 2.6 (2.8); liquidity EUR 1.3 (EUR 2.0) billion.**
- **Operational ROCE 10.1% (8.6%); operational ROCE excluding transformational investment project 11.3% (10.9%).**

Q1/2015 (compared with Q4/2014)
- **Sales declined by 2.4%, sales excluding the structurally declining paper and divested businesses increased by 2.3%.**
- **Operational EBIT increased 5.3% mainly due to seasonally lower fixed costs, partly offset by lower result from Nordic forest associates Bergvik Skog and Tornator.**

Transformation
- **Stora Enso Guangxi consumer board mill construction is proceeding according to plan. The consumer board machine is expected to be operational in mid-2016 as announced earlier.**
- **Conversion of the Varkaus Mill fine paper machine in Finland for virgin-fibre-based containerboard is proceeding as planned and expected to start at the end of 2015.**

Restructuring and non-core asset divestments
- **In February, Stora Enso completed the divestment of its Uetersen specialty and coated fine paper mill in Germany.**

Outlook

Q2/2015 sales are estimated to be slightly higher than the EUR 2 491 million in Q1/2015. Operational EBIT is expected to be in line with the EUR 220 million recorded in Q1/2015. There will be maintenance work in several units during Q2.The negative maintenance impact is expected to be EUR 30 million more in Q2 than in Q1/2015.

KEY FIGURES

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	2 491	2 568	-3.0%	2 552	-2.4%	10 213
Operational EBITDA	340	302	12.6%	308	10.4%	1 269
Operational EBITDA margin	13.6%	11.8%		12.1%		12.4%
Operational EBIT	220	182	20.9%	209	5.3%	810
Operational EBIT margin	8.8%	7.1%		8.2%		7.9%
Operating profit (IFRS)	215	195	10.3%	-95	n/m	400
Profit before tax excl. NRI	154	106	45.3%	32	n/m	399
Profit/loss before tax	162	130	24.6%	-193	183.9%	120
Net profit/loss for the period	129	100	29.0%	-134	196.3%	90
Capital expenditure	130	101	28.7%	280	-53.6%	781
Capital expenditure excluding investments in biological assets	108	87	24.1 %	258	-58.1 %	713
Depreciation and impairment charges excl. NRI	133	139	-4.3%	134	-0.7%	547
Net interest-bearing liabilities	3 444	3 165	8.8%	3 274	5.2%	3 274
Operational ROCE	10.1%	8.6%		9.7%		9.5%
Earnings per share (EPS) excl. NRI, EUR	0.15	0.09		0.06		0.40
EPS (basic), EUR	0.16	0.13		-0.15		0.13
Return on equity (ROE)	9.6%	7.5%		-10.1%		1.7%
Debt/equity ratio	0.65	0.60		0.65		0.65
Net debt/last twelve months' operational EBITDA	2.6	2.8		2.6		2.6
Equity per share, EUR	6.77	6.70		6.43		6.43
Average number of employees	26 781	28 813	-7.1%	27 987	-4.3%	29 009
TRI rate	10.1	13.0*	-22.3%	12.4	-18.5%	12.5
LTA rate	4.8	5.8	-17.2%	5.2	-7.7%	5.2

Operational EBIT *comprises the operating profit excluding NRI and fair valuations of the segments and Stora Enso's share of the operating profit excluding NRI and fair valuations of its equity-accounted investments (EAI). Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets and the Group's share of tax and net financial items of EAI.*
NRI *= Non-recurring items. These are exceptional transactions that are not related to normal business operations. The most common non-recurring items are capital gains, additional write-downs or reversals of write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally disclosed individually if they exceed one cent per share.*
TRI *(Total recordable incidents) rate = number of incidents per one million hours worked.*
LTA *(Lost-time accident) rate = number of lost-time accidents per one million hours worked.*
** Recalculated: -0.8*

STORA ENSO DELIVERIES AND PRODUCTION

	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Board deliveries, 1 000 tonnes	748	783	-4.5%	775	-3.5%	3 158
Board production, 1 000 tonnes	852	878	-3.0%	822	3.6%	3 489
Corrugated packaging deliveries, million m^2	274	262	4.6%	287	-4.5%	1 104
Market pulp deliveries, 1 000 tonnes	457	310	47.4%	413	10.7%	1 371
Wood product deliveries, 1 000 m^3	1 061	1 159	-8.5%	1 102	-3.7%	4 646
Paper deliveries, 1 000 tonnes	1 432	1 523	-6.0%	1 520	-5.8%	6 006
Paper production, 1 000 tonnes	1 472	1 580	-6.8%	1 512	-2.6%	6 034

RECONCILIATION OF OPERATIONAL PROFITABILITY

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Operational EBITDA	**340**	**302**	**12.6%**	**308**	**10.4%**	**1 269**
Equity accounted investments (EAI), operational*	13	19	-31.6%	35	-62.9%	88
Depreciation and impairment excl. NRI	-133	-139	4.3%	-134	0.7%	-547
Operational EBIT	**220**	**182**	**20.9%**	**209**	**5.3%**	**810**
Fair valuations and non-operational items**	-13	-11	-18.2%	-79	83.5%	-131
Non-recurring items	8	24	-66.7%	-225	103.6%	-279
Operating Profit (IFRS)	**215**	**195**	**10.3%**	**-95**	**n/m**	**400**

* *Group's share of operational EBIT of equity accounted investments (EAI).*
** *Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets and the Group's share of tax and net financial items of EAI.*

FIRST QUARTER 2015 RESULTS (compared with first quarter 2014)

BREAKDOWN OF CHANGE IN SALES Q1/2014 TO Q1/2015

	Sales
Q1/2014, EUR million	**2 568**
Price and mix	-3%
Currency	3%
Volume	-1%
Other sales*	-1%
Total before structural changes	-2%
Structural changes**	-1%
Total	-3%
Q1/2015, EUR million	**2 491**

** Wood, energy, paper for recycling, by-products, etc.*
*** Asset closures, major investments, divestments and acquisitions*

Group sales at EUR 2 491 million were EUR 77 million lower than a year ago mainly due to declining paper demand, the permanent closure of Veitsiluoto paper machine (PM) 1 and Corbehem Mill, the divestments of Uetersen Mill in Germany and Corenso business operations, and lower volumes in Wood Products. New delivery volumes from Montes del Plata increased sales. Operational EBIT was EUR 220 (EUR 182) million, an increase of EUR 38 million. The operational EBIT margin was 8.8% (7.1%).

Lower sales prices in local currencies, especially in paper grades, decreased operational EBIT by EUR 86 million. Variable costs were EUR 32 million lower, mainly due to wood and energy. Lower volumes in Paper division caused by permanent closures, and the divestment of Corenso business operations in Packaging Solutions division, were more than offset by increased volumes in Montes del Plata. Fixed costs were EUR 26 million lower. A provision for doubtful receivables of EUR 7 million was recorded in the Paper division in the first quarter of 2015. The net foreign exchange translation impact on operational EBIT was a positive EUR 64 million mainly due to a stronger US dollar and a weaker Brazilian real, approximately EUR 40 million of this relates to Biomaterials division. As Stora Enso is primarily a euro and Swedish crown cost based company, selling significant volumes in other currencies such as the US dollar and British pound, a material part of the effect on operational EBIT is a combination of price and currency movements.

Paper production was curtailed by 6% (9%), board production by 2% (4%), and sawnwood production by 6% (3%) to reduce working capital.

The average number of employees in the first quarter of 2015 was 26 781, which is 2 032 lower than a year earlier. The main reasons for the reduction in the number of employees, compared to a year ago, are the divestment of Corenso business operations and Uetersen Mill, the closures of Corbehem Mill and Veitsiluoto Mill PM1, and the streamlining and structure simplification programme finalised in 2014. The average number of employees was 2 100 lower in Europe and 100 higher in China than a year earlier.

The Group recorded non-recurring items (NRI) with a positive impact of EUR 8 million on its first quarter 2015 operating profit. The NRI is related to a compensation received from a supplier for a historical claim.

Net financial expenses at EUR 53 million were EUR 12 million lower than a year ago. The net interest expenses at EUR 48 million were at the same level as last year. The fair valuation of interest rate derivatives had a comparatively positive impact of EUR 5 million. The net foreign exchange impact in the first quarter in respect of cash, interest-bearing assets and liabilities and related hedges was a gain of EUR 6 (loss of EUR 10).

BREAKDOWN OF CHANGE IN CAPITAL EMPLOYED– 31 MARCH 2014 TO 31 MARCH 2015

	Capital Employed
31 March 2014, EUR million	**8 519**
Capital expenditure less depreciation	218
Impairments and reversal of impairments	-217
Valuation of biological assets	-68
Available-for-sale: operative (mainly PVO)	125
Equity-accounted investments	87
Net liabilities in defined benefit plans	-47
Operative working capital and other interest-free items, net	-94
Net tax liabilities	55
Translation difference	392
Other changes	5
31 March 2015, EUR million	**8 975**

The operational return on capital employed was 10.1% (8.6%). Excluding the ongoing Guangxi investment in Consumer Board, the operational return on capital employed would have been 11.3%. In the first quarter of 2014, the operational return on capital employed excluding Guangxi investment in Consumer Board and Montes del Plata investment in Biomaterials would have been 10.9%.

FIRST QUARTER 2015 RESULTS (compared with fourth quarter 2014)

Sales decreased by EUR 61 million to EUR 2 491 million.

Operational EBIT was EUR 11 million higher than in the previous quarter at EUR 220 million. Fixed costs were EUR 49 million lower mainly due to lower maintenance activity, seasonality, and the divestment of Corenso business operations. Lower paper sales prices in local currencies were only partly offset by higher containerboard prices, decreasing operational EBIT by EUR 41 million. The result from equity accounted investments was EUR 22 million weaker due to the lower result from Nordic forest associates. The net foreign exchange impact on operational EBIT was positive EUR 30 million.

FIRST QUARTER 2015 FINANCING (compared with fourth quarter 2014)

CAPITAL STRUCTURE

EUR million	31 Mar 15	31 Dec 14	31 Mar 14
Operative fixed assets*	7 253	6 932	6 770
Equity-accounted investments	1 048	1 056	980
Operative working capital, net	1 286	1 174	1 337
Non-current interest-free items, net	-574	-604	-467
Operating Capital Total	**9 013**	**8 558**	**8 620**
Net tax liabilities	-38	-47	-101
Capital Employed	**8 975**	**8 511**	**8 519**
Equity attributable to owners of the Parent	5 336	5 070	5 286
Non-controlling interests	195	167	68
Net interest-bearing liabilities	3 444	3 274	3 165
Financing Total	**8 975**	**8 511**	**8 519**

** Operative fixed assets include property, plant and equipment, goodwill, biological assets, emission rights, available-for-sale operative shares and other intangible assets.*

Total unutilised committed credit facilities were unchanged at EUR 700 million, and cash and cash equivalents net of overdrafts remained strong at EUR 1 320 million, which is EUR 124 million less than for the previous quarter. In addition, Stora Enso has access to various long-term sources of funding up to EUR 1 050 (1 050) million.

The net debt was EUR 3 444 million, an increase of EUR 170 million from the previous quarter, mainly as a result of the retranslation of US dollar denominated net debt.

The ratio of net debt to the last twelve months' operational EBITDA was 2.6 (2.6). The debt/equity ratio at 31 March 2015 was 0.65 (0.65).

CASH FLOW IN FIRST QUARTER 2015

First quarter 2015 cash flow from operations was EUR 171 million. Receivables and inventories increased by EUR 110 million and EUR 90 million, respectively. Payables increased by EUR 30 million. Payments relating to the previously announced restructuring provisions were EUR 15 million.

CASH FLOW

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Operational EBITDA	340	302	12.6%	308	10.4%	1 269
NRI on operational EBITDA	8	-18	144.4%	-11	172.7%	-122
Dividends received from equity accounted investments	-	-	n/m	1	n/m	19
Other adjustments	10	6	66.7%	7	42.9%	29
Change in working capital	-187	-138	-35.5%	137	-236.5%	-56
Cash Flow from Operations	**171**	**152**	**12.5%**	**442**	**-61.3%**	**1 139**
Cash spent on fixed and biological assets	-142	-132	-7.6%	-264	46.2%	-787
Acquisitions of equity-accounted investments	-	-	n/m	-	n/m	-97
Cash Flow after Investing Activities	**29**	**20**	**45.0%**	**178**	**-83.7%**	**255**

CAPITAL EXPENDITURE IN FIRST QUARTER 2015

Additions to fixed and biological assets during the first quarter 2015 totalled EUR 130 million, of which EUR 108 million were fixed assets and EUR 22 million biological assets. Additions to fixed assets represent 81% of depreciation in the same period. Investments in fixed assets and biological assets had a cash outflow impact of EUR 142 million in the first quarter 2015.

The main project ongoing during the first quarter 2015 was the board machine project in Guangxi, China.

The capital expenditure forecast includes EUR 110 million for biological assets and approximately EUR 390 million for the Guangxi project. The forecast has increased by EUR 40 million due to the weakening of the euro against the Chinese Renminbi.

CAPITAL EXPENDITURE AND DEPRECIATION FORECAST 2015

EUR million	Forecast 2015
Capital expenditure	820–880
Depreciation	530–550

NEAR-TERM OUTLOOK

Sales in the second quarter of 2015 are estimated to be slightly higher than the EUR 2 491 million in the first quarter of 2015. Operational EBIT is expected to be in line with the EUR 220 million recorded in the first quarter of 2015. There will be maintenance work in several units during the second quarter. The negative maintenance impact is expected to be EUR 30 million more in the second quarter than in the first quarter 2015.

SEGMENTS IN FIRST QUARTER 2015 (compared with first quarter 2014)

Stora Enso has reorganised its divisional and reporting structure as of 1 January 2015. The IFRS reporting segments are formed by the divisions and the segment Other. Henceforth, Stora Enso will report financial figures for the divisions Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper and the segment Other.

Consumer Board division

Stora Enso's Consumer Board division is a provider of boards for printing and packaging applications internationally. The wide board and barrier coating selection is suitable for packaging concepts and optimising packaging for liquid, food, pharmaceutical and luxury packaging. We operate five mills in Finland, Sweden and Spain. We serve brand owners globally and are expanding in growth markets such as China and Pakistan to meet rising demand.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	569	564	0.9%	554	2.7%	2 297
Operational EBITDA	115	103	11.7%	81	42.0%	439
Operational EBITDA margin	20.2%	18.3%		14.6%		19.1%
Operational EBIT	79	62	27.4%	44	79.5%	292
Operational EBIT margin	13.9%	11.0%		7.9%		12.7%
Operational ROOC*	17.3%	15.7%		10.0%		17.8%
Cash flow from operations	39	58	-32.8%	127	-69.3%	386
Cash flow after investing activities	-28	21	-233.3%	16	-275.0%	60
Board deliveries, 1 000 tonnes	603	601	0.3%	588	2.6%	2 434
Board production, 1 000 tonnes	638	609	4.8%	555	15.0%	2 426

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales increased slightly mainly due to stronger volumes.
- The positive net foreign exchange translation impact and lower costs were partly offset by slightly lower sales prices in local currencies.
- Construction of the Stora Enso Guangxi consumer board mill is progressing according to plan. The mill is expected to be operational in mid-2016.
- No major maintenance shutdowns scheduled for the second quarter.

MARKETS

Product	Market	Demand Q1/15 compared with Q1/14	Demand Q1/15 compared with Q4/14	Price Q1/15 compared with Q1/14	Price Q1/15 compared with Q4/14
Consumer board	Europe	Stable	Stable	Stable	Stable

Packaging Solutions division

Stora Enso's Packaging Solutions division develops fibre-based packaging and operates at every stage of the value chain from pulp production, material and packaging production to recycling. Our solutions serve leading converters, brand owners and retailer customers helping to optimise performance, reduce total costs and enhance sales. The container board mills are located in Finland and Poland, and the converting plants in ten countries in Europe and Asia.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	221	267	-17.2%	263	-16.0%	1 065
Operational EBITDA	40	46	-13.0%	46	-13.0%	183
Operational EBITDA margin	18.1%	17.2%		17.5%		17.2%
Operational EBIT	26	30	-13.3%	30	-13.3%	118
Operational EBIT margin	11.8%	11.2%		11.4%		11.1%

Operational ROOC*	12.9%	13.5%		14.5%		14.1%
Cash flow from operations	30	42	-28.6%	43	-30.2%	182
Cash flow after investing activities	18	33	-45.5%	21	-14.3%	128
Board deliveries, 1 000 tonnes	145	182	-20.3%	187	-22.5%	724
Board production, 1 000 tonnes	214	269	-20.4%	267	-19.9%	1 063
Corrugated packaging deliveries, million m^2	274	262	4.6%	287	-4.5%	1 104
Corrugated packaging production, million m^2	275	257	7.0%	292	-5.8%	1 085

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales excluding the divestment of Corenso business operations increased by 1.2%.
- Lower sales prices in local currencies were offset by lower variable costs. Fixed costs and delivery volumes were lower due to the divestment of Corenso business operations.
- Conversion of Varkaus Mill fine paper machine in Finland for virgin-fibre-based containerboard is proceeding as planned and expected to start at the end of 2015.
- During the second quarter, there will be a scheduled maintenance shutdown at Ostrołęka Mill.

MARKETS

Product	Market	Demand Q1/15 compared with Q1/14	Demand Q1/15 compared with Q4/14	Price Q1/15 compared with Q1/14	Price Q1/15 compared with Q4/14
Corrugated packaging	Europe	Stable	Stable	Slightly lower	Slightly lower

Biomaterials division

Stora Enso's Biomaterials division offers a variety of pulp grades to meet the demands of paper, board, tissue, textile and hygiene product producers. We also develop new ways to maximise the value extractable from wood, as well as other kinds of lignocellulosic biomasses. Sugars and lignin hold potential for use in applications in the specialty chemical, construction, personal care and food industries. We have a global presence with operations in Brazil, Finland, Laos, Sweden, Uruguay and the USA.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	354	263	34.6%	314	12.7%	1 104
Operational EBITDA	100	38	163.2%	60	66.7%	173
Operational EBITDA margin	28.2%	14.4%		19.1%		15.7%
Operational EBIT	73	21	247.6%	34	114.7%	89
Operational EBIT margin	20.6%	8.0%		10.8%		8.1%
Operational ROOC*	11.4%	4.0%		5.6%		3.9%
Cash flow from operations	18	31	-41.9%	17	5.9%	136
Cash flow after investing activities	-18	-31	41.9%	-40	55.0%	-108
Pulp deliveries, 1 000 tonnes	593	503	17.9%	583	1.7%	2 076

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales increased mainly due to Montes del Plata Mill and positive foreign exchange impact.
- Montes del Plata Mill increased volumes significantly, which was partly offset by the impact on higher depreciations and fixed costs.
- The positive net foreign exchange translation impact was approximately EUR 40 million on operational EBIT year-on-year.
- The lignin investment at Sunila Mill is completed and commercialisation is expected to begin in the second half of 2015.
- The construction of the Xylose Demo Plant in the USA is proceeding well and on schedule.
- Maintenance shutdowns are planned for Veracel and Enocell pulp mills in the second quarter.

MARKETS

Product	Market	Demand Q1/15 compared with Q1/14	Demand Q1/15 compared with Q4/14	Price Q1/15 compared with Q1/14	Price Q1/15 compared with Q4/14
Softwood pulp	Europe	Slightly weaker	Slightly weaker	Stable	Slightly lower
Hardwood pulp	Europe	Slightly stronger	Slightly weaker	Slightly lower	Slightly higher

Wood Products division

Stora Enso's Wood Products division provides versatile wood-based solutions for building and housing. Our product range covers all areas of urban construction including massive wood elements and housing modules, wood components and pellets. We also offer a variety of sawn timber goods. Our customers are mainly construction and joinery companies, merchandisers and retailers. Wood Products operates globally and has more than 20 production units in Europe.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	392	445	-11.9%	415	-5.5%	1 779
Operational EBITDA	23	30	-23.3%	19	21.1%	126
Operational EBITDA margin	5.9%	6.7%		4.6%		7.1%
Operational EBIT	15	20	-25.0%	10	50.0%	89
Operational EBIT margin	3.8%	4.5%		2.4%		5.0%
Operational ROOC*	11.7%	15.3%		7.6%		17.3%
Cash flow from operations	14	-5	n/m	33	-57.6%	86
Cash flow after investing activities	4	-8	150.0%	15	-73.3%	58
Deliveries,1 000 m^3	1 025	1 116	-8.2%	1 066	-3.8%	4 493

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales decreased mainly due to lower volumes. Production was curtailed by 6% (3%) to reduce working capital.
- Production and delivery volumes were clearly weaker, partly offset by lower fixed costs.
- In February, Stora Enso announced the investment of EUR 43 million in a new production line for wooden building elements located in Varkaus, Finland.
- In March, Stora Enso announced its plans to rationalise the operational model in Building Solutions Finland including a possible reduction in personnel by approximately 50 people and a possible closure of the Pälkäne production unit.
- Murow Sawmill investment is proceeding as planned and the first departments are expected to start operations by the end of the second quarter.

MARKETS

Product	Market	Demand Q1/15 compared with Q1/14	Demand Q1/15 compared with Q4/14	Price Q1/15 compared with Q1/14	Price Q1/15 compared with Q4/14
Wood products	Europe	Weaker	Slightly stronger	Stable	Stable

Paper division

Stora Enso's Paper division provides best-in-class paper solutions for print media and office use. The wide selection covers papers made from recycled and fresh wood fibre. Our main customer groups include publishers, retailers, printing houses, merchants, converters and office suppliers. Our mills are located predominantly in Europe, as well as in Brazil and China. Three of the mills produce paper based on 100%-recycled fibre.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	914	999	-8.5%	984	-7.1%	3 912
Operational EBITDA	61	85	-28.2%	109	-44.0%	361
Operational EBITDA margin	6.7%	8.5%		11.1%		9.2%
Operational EBIT	18	35	-48.6%	68	-73.5%	172
Operational EBIT margin	2.0%	3.5%		6.9%		4.4%
Operational ROOC*	4.5%	6.8%		15.1%		9.4%
Cash flow from operations	65	10	n/m	213	-69.5%	354
Cash flow from operations to sales	7.1%	1.0%		21.6%		9.0%
Cash flow after investing activities	54	-8	n/m	172	-68.6%	243
Paper deliveries, 1 000 tonnes	1 432	1 523	-6.0%	1 520	-5.8%	6 006
Paper production, 1 000 tonnes	1 472	1 580	-6.8%	1 512	-2.6%	6 034

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales were negatively impacted by permanent closure of Veitsiluoto PM1 and Corbehem Mill, and divestment of Uetersen Mill in Germany.
- Lower wood and energy costs were offset by lower volumes, mainly due to closures and divestment. Lower sales prices in local currencies were partly offset by positive net foreign exchange translation impact.
- Depreciation was EUR 7 million lower mainly due to fixed asset impairments recorded in the fourth quarter of 2014.
- A provision for doubtful receivables of EUR 7 million was recorded during the quarter.
- Cash flow from operations to sales ratio improved clearly mainly due to better working capital management.
- In February, Stora Enso completed the divestment of its Uetersen specialty and coated fine paper mill in Germany to a company mainly owned by the private equity fund Perusa Partners Fund 2.
- During the second quarter, there will be scheduled maintenance shutdown at Langerbrugge Mill's energy production, and at Oulu, Sachsen and Nymölla mills.

MARKETS

Product	Market	Demand Q1/15 compared with Q1/14	Demand Q1/15 compared with Q4/14	Price Q1/15 compared with Q1/14	Price Q1/15 compared with Q4/14
Paper	Europe	Weaker	Weaker	Slightly lower	Slightly lower

Other

The segment Other includes the Nordic forest equity-accounted investments, Stora Enso's shareholding in Pohjolan Voima, operations supplying wood to the Nordic mills and Group shared services and administration.

EUR million	Q1/15	Q1/14	Change % Q1/15–Q1/14	Q4/14	Change % Q1/15–Q4/14	2014
Sales	647	689	-6.1%	645	0.3%	2 567
Operational EBITDA	1	-	n/m	-7	114.3%	-13
Operational EBITDA margin	0.2%	-		-1.1%		-0.5%
Operational EBIT	9	14	-35.7%	23	-60.9%	50
Operational EBIT margin	1.4%	2.0%		3.6%		1.9%
Cash flow from operations	5	16	-68.8%	9	-44.4%	-5
Cash flow after investing activities	-1	13	-107.7%	-6	83.3%	-126

- Operational EBIT decreased slightly due to the lower result from Nordic forest associates, Bergvik Skog and Tornator.

GLOBAL RESPONSIBILITY IN FIRST QUARTER 2015 (compared with first quarter 2014)

People and Ethics

Safety performance

The Group's TRI and LTA rates for employees continued to improve. In order to support long-term and continuous improvement the safety targets were revised, and the new targets intend to reduce the TRI and LTA rates by 30% year-on-year.

TRI AND LTA RATES

	Q1/15	Q1/14	Q4/14	2014	Target	Target to be reached by
Total Recordable Incidents (TRI) rate	10.1	13.0*	12.4	12.5	8.8	end of 2015
Lost-Time Accident (LTA) rate	4.8	5.8	5.2	5.2	3.6	end of 2015

***TRI** (Total recordable incident) rate = number of incidents per one million hours worked.*
***LTA** (Lost-time accident) rate = number of lost-time accidents per one million hours worked.*
**Recalculated: -0.8*

Human Rights

During the quarter, Group-wide planning for actions was initiated to address the human rights impacts identified in the Human Rights assessments. The target is to have all action plans in place by the end of the second quarter for priority assessment findings, and by no later than the end of 2015 for all other assessment findings.

Responsible Sourcing

Implementation of the new Supplier Code of Conduct

By the end of the first quarter, 77%* of the Group's spending on materials and services was covered by the new Code. The coverage declined slightly from the previous quarter due to larger scope. Difference between the previous and the current coverage is approximately EUR 1 billion.

SUPPLIER CODE OF CONDUCT

	31 Mar 15	31 Dec 14	31 Mar 14	Target	Target to be reached by
% of supplier spend covered by the Supplier Code of Conduct*	77%	78%	n/a	90%	end of 2016

**The Group's suppliers in terms of supplier spend in the previous year, excluding joint operations and wood supply. The target scope covers the Group's total annual supplier spending.*

Mitigating Child Labour in Pakistan

Bulleh Shah Packaging, Stora Enso's 35%-owned equity accounted investment, conducted 53 (55) audits to its material and service suppliers during the first quarter of 2015. There were no child labour cases identified during these audits.

BULLEH SHAH PACKAGING'S DIRECT SUPPLIERS OF DOMESTIC FIBRE AND AGRICULTURAL RESIDUALS

	31 Mar 15	31 Mar 14	2014	Target	Target to be reached by
Number of direct active suppliers	210*	130	143		
Annual audit coverage (%)**	9%	46%	87%	55%	end of 2015

**As of 1 January 2015, the definition of active suppliers was changed to cover all suppliers Bulleh Shah Packaging had financial transactions with during 2014. Together with the addition of new suppliers, this increases the number of suppliers in the active supplier base.*
***The share of direct suppliers of OCC and agricultural residuals that are audited during the calendar year. Excluding institutional OCC suppliers identified as low risk.*

By the end of the quarter, out of the initially found 640 children, 289 children (125 in Q4 2014) from the discontinued supply chain of used carton board (UCB) were attending school. This is part of the support programme, which involves a plan for a total of six schools in Lahore. Four of the schools were in operation by the end of the quarter. The remaining two schools are planned to be operational by the end of the second quarter. Stora Enso signed a long-term cooperation agreement with the Pakistani non-governmental organisation Idara-e-Taleem-o-Aagahi (ITA) to operate the schools.

The mobile medical clinic is planned to be operational during harvesting season in the second quarter.

Forest and Land Use

Responsibility in Guangxi, China

Correction of Land Leasing Contracts
Stora Enso leases a total of 85 613 hectares of land in various regions of Guangxi, of which 38% (38%) is social land leased from village collectives, individual households and local forest farms.

SOCIAL FORESTLANDS LEASED BY STORA ENSO IN GUANGXI

	31 Mar 15	31 Dec 14	31 Mar 14	Target	Target to be reached by
Social forestland leased, ha	32 508	32 591	32 779		
Leased area without contractual defects, ha	16 212	16 003	14 498		
Lease contracts without contractual defects, % of all contracts	61%	61%	56%	100%	start-up of the planned pulp mill*

In the contracts without defects the ownership of land is clear or solved, and contracting procedure is proven to be legal, authentic and valid. The contract correction process includes a desktop documentation review, field investigations, legal and operational risk analysis, stakeholder consultations, the collection of missing documentation and the signing of new agreements or amendments directly with the villages or households concerned, or in some cases contract termination.
**The decision on the investment in the pulp mill will be made after the start-up of the board mill in 2016.*

In cases of irreconcilable conflict that our contract correction procedures cannot resolve, we will have to terminate the contracts in a responsible way. This involves identifying the risks entailed in the termination process, trying to settle historical claims or issues in the contract chain, deciding how to deal with any timber belonging to Stora Enso on the land concerned, and finding ways to minimise our losses. Following the identification process in 2014, the target by the end of 2015 is to terminate identified irreconcilable contracts corresponding to 1 065 hectares or 3% of the leased social forest land.

Other issues
Stora Enso Guangxi has a policy that children should not be allowed to live in the forestry sites as their safety cannot be adequately safeguarded in rural work camps. During the second half of the year, Stora Enso will evaluate alternatives to provide safe living conditions together with Business for Social Responsibility (BSR) and the Chinese Centre for Child Rights and Corporate Social Responsibility (CCR CSR), an affiliate of Save the Children, as well as a chosen contractor.

Dialogue with Landless People's Social Movements in Bahia, Brazil
As of the end of March, 5 659 (2 073) hectares of Veracel's land were occupied by social landless movements not involved in the Sustainable Settlement Initiative. Veracel has reserved 16 500 hectares for this initiative. The total land area owned by Veracel at year end 2014 was 211 500 hectares, of which 90 500 is used for eucalyptus plantations. The occupied area has increased significantly due to the new occupations by social movement FETRAF (Federation of Family Agriculture Workers). This is part of its effort to be included in the National Programme for Agrarian Reform.

LAND OCCUPIED BY SOCIAL LANDLESS MOVEMENTS NOT INVOLVED IN THE SUSTAINABLE SETTLEMENT INITIATIVE

	31 Mar 15	31 Dec 14	31 Mar 14
Area occupied by social movements not involved in the Sustainable Settlement Initiative, ha	5 659	2 219	2 073

Environment and Efficiency

The Group's normalised CO_2 emission remained stable during the quarter. The performance on process water discharges improved from the previous quarter but weakened when compared to the same quarter last year.

The short-term targets for process water discharges were reviewed and adapted to the existing asset base as some of the mills have been left with over-scaled waste water treatment facilities due to the closures of paper machines over the past two years. The new targets are to reduce normalised process water discharges by 6% and normalised Chemical Oxygen Demand (COD) by 7% from the baseline levels* by the end of 2015. The previous targets were to achieve the reductions of 10%.

ENVIRONMENTAL PERFORMANCE COMPARED TO BASELINE LEVELS*

	Q1/15**	Q1/14	Q4/14	2014	Target	Target to be reached by
Climate and energy						
Reduction of CO_2 emissions per saleable tonne of pulp, paper and board (kg/t)***	-24%	-24%	-25%	-27%	-35%	end of 2025
Process water discharges						
Reduction of volume per saleable tonne of pulp, paper and board (m³/t)	-4%	-9%	-1%	-4%	-6%	end of 2015
Reduction of Chemical Oxygen Demand (COD) per saleable tonne of pulp, paper and board (kg/t)	-4%	-9%	-1%	-5%	-7%	end of 2015

**From baseline levels: year 2006 in CO_2 emissions, year 2005 in the volume (m³) of process water discharges, and year 2007 in the Chemical Oxygen Demand (COD) levels of process water discharges. Historical figures recalculated due to changes in baseline or data revision.*
***Including performance in January and February. The Q1 performance will be completed with performance in March in the Interim Review for the Q2.*
****Covering direct fossil CO_2 emissions from production and indirect fossil CO_2 emissions related to purchased electricity and heat (Scope 1 and 2).*

Stora Enso is included in the following sustainability indices:

- Carbon Disclosure Leadership Index
- FTSE4 Good Index
- UN Global Compact 100 Stock Index
- STOXX Global ESG Leaders indices
- ECPI Ethical Indices
- OMX GES Sustainability Finland index
- Ethibel Sustainability Index (ESI) Excellence Europe
- Euronext Vigeo – Europe 120

SHORT-TERM RISKS AND UNCERTAINTIES

The main short-term risks and uncertainties are related to the increasing imbalance in the European paper market.

Energy sensitivity analysis: the direct effect of a 10% increase in electricity, heat, oil and other fossil fuel market prices would have a negative impact of approximately EUR 8 million on operational EBIT for the next 12 months, after the effect of hedges.

Wood sensitivity analysis: the direct effect of a 10% increase in wood prices would have a negative impact of approximately EUR 173 million on operational EBIT for the next 12 months.

Pulp sensitivity analysis: the direct effect of a 10% increase in pulp market prices would have a positive impact of approximately EUR 120 million on operational EBIT for the next 12 months.

Chemical and filler sensitivity analysis the direct effect of a 10% increase in chemical and filler prices would have a negative impact of approximately EUR 66 million on operational EBIT for the next 12 months.

A decrease of energy, wood or chemical and filler prices would have the opposite impact.

Foreign exchange rate sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound against the euro would be about positive EUR 116 million, negative EUR 82 million and positive EUR 46 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are before the effect of hedges and assuming no changes occur other than a single currency exchange rate movement.

LEGAL PROCEEDINGS

Proceedings in Latin America

Veracel
Fibria and Stora Enso each own 50% of Veracel, and the joint ownership is governed by a shareholder agreement. In May 2014, Fibria initiated arbitration proceedings against Stora Enso claiming that Stora Enso was in breach of certain provisions of the shareholder agreement. Fibria has estimated that the interest of the case is approximately USD 54 (EUR 44) million. Stora Enso denies any breach of contract and disputes the method for calculating the interest of the case. No provisions have been made in Stora Enso’s accounts for this case.

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso’s joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel’s plantations and a possible fine of BRL 20 (EUR 6) million. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the competent authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel’s or Stora Enso’s accounts for the reforestation or the possible fine.

Montes del Plata
During the second quarter of 2014, Celulosa y Energía Punta Pereira S.A. (“CEPP”), a joint operations company in the Montes del Plata group formed by Stora Enso and Arauco, was notified of arbitration proceedings initiated against it by Andritz Pulp Technologies Punta Pereira S.A., a subsidiary of Andritz AG, claiming EUR 200 million. The arbitration relates to contracts for the delivery, construction, installation, commissioning and completion by Andritz of major components of the Montes del Plata Pulp Mill project located at Punta Pereira in Uruguay. CEPP disputes the claims brought by Andritz and is also actively pursuing claims of its own amounting to USD 110 (EUR 91) million against Andritz for breach by Andritz of its obligations under the contracts. No provisions have been made in Montes del Plata’s or Stora Enso’s accounts for these claims.

Legal Proceedings in Finland

Finnish wood claim
In December 2009, the Finnish Market Court fined Stora Enso for competition law infringements in the market for roundwood in Finland from 1997 to 2004. Stora Enso did not appeal against the ruling. In March 2011 Metsähallitus of Finland initiated legal proceedings against Stora Enso, UPM and Metsä Group claiming compensation for damages allegedly suffered due to the competition law infringements. The total claim against all the defendants amounts to approximately EUR 160 million and the secondary claim against Stora Enso to approximately EUR 85 million. In addition, certain Finnish municipalities and private forest owners initiated similar legal proceedings. The total amount claimed from all the defendants amounts to approximately EUR 35 million and the secondary claims solely against Stora Enso to approximately EUR 10 million. Stora Enso denies that Metsähallitus and other plaintiffs suffered any damages whatsoever and will forcefully defend itself. In March 2014 the Helsinki District Court dismissed 13 private forest owners’ claims as time-barred. In November 2014 the Helsinki Court of Appeal revoked the decision of the District Court. Stora Enso and the other defendants have sought permission to appeal the Court of Appeals decision in the Supreme Court. No provisions have been made in Stora Enso’s accounts for these lawsuits.

CHANGES IN ORGANISATIONAL STRUCTURE

Stora Enso has reorganised its divisional and reporting structure as of 1 January 2015. The IFRS reporting segments are formed by the divisions and the segment Other. Henceforth, Stora Enso will report financial figures for the divisions Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper and the segment Other. The historical figures were published on 18 March 2015.

CHANGES IN GROUP MANAGEMENT

Three new members joined the Group Leadership Team during the first quarter. Jari Latvanen started as Executive Vice President, Head of Consumer Board on 1 January 2015. Gilles van Nieuwenhuyzen started as

Executive Vice President of the Packaging Solutions division, and Markus Mannström as Chief Technology Officer (CTO) to head up the new Group Technology function on 16 March 2015.

After the quarter, as of 1 April 2015, Noel Morrin started as Executive Vice President Global Responsibility and became a new member of the Group Leadership Team.

Juha Vanhainen, Executive Vice President, Energy, Logistics and Wood Supply Operations in Finland and Sweden, left his position at Stora Enso on 15 March 2015.

SHARE CAPITAL

During the first quarter of 2015, conversions of a total of 50 300 A shares into R shares were recorded in the Finnish trade register.

On 31 March 2015, Stora Enso had 177 005 904 A shares and 611 614 083 R shares in issue. The company did not hold its own shares.

This release has been prepared in Finnish, English and Swedish. In case of variations in the content between the versions, the English version shall prevail. This report is unaudited.

Helsinki, 22 April 2015
Stora Enso Oyj
Board of Directors

FINANCIALS

Basis of Preparation
This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Report for 2014.

All figures in this Interim Review have been rounded to the nearest million, unless otherwise stated.

New division structure
As announced on 18 December 2014, Stora Enso has reorganised its divisional and reporting structure. In Stora Enso, the IFRS reporting segments are composed of the divisions and the segment Other. The new structure is valid from 1 January 2015 onwards. Henceforth, Stora Enso will report financial figures for the divisions Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper and the segment Other. The historical figures according to the new reporting structure were published on 18 March 2015.

Virdia Inc. acquisition
On 19 June 2014, Stora Enso acquired 100% of the shares of Virdia Inc, a US-based leading developer of extraction and separation technologies for conversion of cellulosic biomass into highly refined sugars and lignin. The cash consideration was EUR 17 million with maximum additional pay-outs totalling EUR 21 million following completion of specific technical and commercial milestones by 2017. At the time of acquisition the fair value of the contingent consideration amounted to EUR 15 million. The transaction resulted in goodwill of EUR 28 million.

The assets and liabilities recognised for the business combination have been determined on a provisional basis using a combination of income and cost approaches. The fair values of the acquired assets and liabilities are therefore subject to change during the 12-month measurement period, should additional information about the circumstances prevailing at closing become available. For more information, see Financial Report 2014, Note 4, Acquisitions and disposals.

Uetersen Mill divestment completed
In February 2015, Stora Enso completed the divestment announced on 13 December 2014 of its Uetersen specialty and coated fine paper mill in Germany to a company mainly owned by the private equity fund Perusa Partners Fund 2.

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Q1/15	Q1/14	Q4/14	2014
Sales	**2 491**	**2 568**	**2 552**	**10 213**
Other operating income	28	33	47	168
Change in inventories of finished goods and WIP	55	40	-36	3
Change in net value of biological assets	-9	-7	-79	-114
Materials and services	-1 508	-1 606	-1 533	-6 244
Freight and sales commissions	-241	-237	-232	-939
Personnel expenses	-323	-361	-331	-1 383
Other operating expenses	-138	-144	-151	-625
Share of results of equity accounted investments	-7	50	16	87
Depreciation, amortisation and impairment charges	-133	-141	-348	-766
Operating Profit/Loss	**215**	**195**	**-95**	**400**
Net financial items	-53	-65	-98	-280
Profit/Loss before Tax	**162**	**130**	**-193**	**120**
Income tax	-33	-30	59	-30
Net Profit/Loss for the Period	**129**	**100**	**-134**	**90**
Attributable to:				
Owners of the Parent	129	99	-125	99
Non-controlling interests	-	1	-9	-9
Net Profit/Loss for the Period	**129**	**100**	**-134**	**90**
Earnings per Share				
Basic earnings per share, EUR	0.16	0.13	-0.15	0.13
Diluted earnings per share, EUR	0.16	0.13	-0.15	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1/15	Q1/14	Q4/14	2014
Net profit/loss for the period	129	100	-134	90
Other Comprehensive Income (OCI)				
Items that will Not be Reclassified to Profit and Loss				
Actuarial gains and losses on defined benefit plans	-	-	-97	-100
Income tax relating to items that will not be reclassified	-	-	14	17
	-	**-**	**-83**	**-83**
Items that may be Reclassified Subsequently to Profit and Loss				
Share of OCI of EAIs that may be reclassified	-1	-3	-4	-17
Currency translation movements on equity net investments (CTA)	191	-4	-33	63
Currency translation movements on non-controlling interests	18	-	7	14
Net investment hedges	-37	5	-6	8
Cash flow hedges	-51	-9	-24	-74
Non-controlling interests' share of cash flow hedges	-1	-	-1	-1
Available-for-sale investments	23	-12	99	96
Income tax relating to items that may be reclassified	17	-	5	8
	159	**-23**	**43**	**97**
Total Comprehensive Income	**288**	**77**	**-174**	**104**
Attributable to:				
Owners of the Parent	271	76	-171	100
Non-controlling interests	17	1	-3	4
Total Comprehensive Income	**288**	**77**	**-174**	**104**

CTA = Cumulative Translation Adjustment
OCI = Other Comprehensive Income
EAI = Equity Accounted Investments

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million		31 Mar 15	31 Dec 14	31 Mar 14
Assets				
Non-current Assets				
Goodwill		248	242	220
Other intangible assets		170	157	51
Property, plant and equipment		5 608	5 419	5 469
		6 026	**5 818**	**5 740**
Biological assets	O	709	643	638
Emission rights	O	48	27	47
Equity accounted investments	O	1 048	1 056	980
Available-for-sale: Interest-bearing	I	27	30	14
Available-for-sale: Operative	O	470	444	345
Non-current loan receivables	I	63	70	60
Deferred tax assets	T	257	259	212
Other non-current assets	O	83	85	85
		8 731	**8 432**	**8 121**
Current Assets				
Inventories	O	1 507	1 403	1 514
Tax receivables	T	8	8	14
Operative receivables	O	1 550	1 484	1 689
Interest-bearing receivables	I	136	74	122
Cash and cash equivalents	I	1 321	1 446	2 018
		4 522	**4 415**	**5 357**
Total Assets		**13 253**	**12 847**	**13 478**
Equity and Liabilities				
Owners of the Parent		5 336	5 070	5 286
Non-controlling Interests		195	167	68
Total Equity		**5 531**	**5 237**	**5 354**
Non-current Liabilities				
Post-employment benefit provisions	O	451	483	403
Other provisions	O	158	159	127
Deferred tax liabilities	T	254	264	302
Non-current debt	I	3 618	3 530	4 158
Other non-current operative liabilities	O	48	47	22
		4 529	**4 483**	**5 012**
Current Liabilities				
Current portion of non-current debt	I	606	611	512
Interest-bearing liabilities	I	766	751	707
Bank overdrafts	I	1	2	2
Other provisions	O	69	82	107
Other operative liabilities	O	1 702	1 631	1 759
Tax liabilities	T	49	50	25
		3 193	**3 127**	**3 112**
Total Liabilities		**7 722**	**7 610**	**8 124**
Total Equity and Liabilities		**13 253**	**12 847**	**13 478**

Items designated with “O” comprise Operating Capital
Items designated with “I” comprise Interest-bearing Net Liabilities
Items designated with “T” comprise Net Tax Liabilities

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1/15	Q1/14
Cash Flow from Operating Activities		
Operating profit	215	195
Hedging result from OCI	-8	2
Adjustments for non-cash items	143	95
Change in net working capital	-187	-138
Cash Flow Generated by Operations	**163**	**154**
Net financial items paid	-86	-74
Income taxes paid, net	-25	-13
Net Cash Provided by Operating Activities	**52**	**67**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries and business operations, net of acquired cash	-	61
Proceeds from disposal of subsidiary shares and business operations, net of disposed cash	-20	-
Proceeds from disposal of intangible assets and property, plant and equipment	1	6
Capital expenditure	-142	-132
Proceeds from non-current receivables, net	20	34
Net Cash Used in Investing Activities	**-141**	**-31**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	3	-
Repayment of long-term debt	-116	-61
Change in short-term borrowings	20	-25
Sale of interest in subsidiaries to non-controlling interests	-	5
Equity injections from, less dividends to, non-controlling interests	11	-
Purchase of own shares*	-6	-4
Net Cash Used in Financing Activities	**-88**	**-85**
Net Decrease in Cash and Cash Equivalents	**-177**	**-49**
Translation adjustment	53	4
Net cash and cash equivalents at the beginning of the period	1 444	2 061
Net Cash and Cash Equivalents at Period End	**1 320**	**2 016**
Cash and Cash Equivalents at Period End	**1 321**	**2 018**
Bank Overdrafts at Period End	**-1**	**-2**
Net Cash and Cash Equivalents at Period End	**1 320**	**2 016**
Disposals		
Cash and cash equivalents	20	-
Working capital	-21	-
Interest-bearing assets and liabilities	1	-
Net Assets in Divested Companies	-	-
Gain on sale	-	-
Total Disposal Consideration	**-**	**-**
Cash part of consideration	-	-
Non-cash part of consideration	-	-
Total Disposal Consideration	**-**	**-**

** Own shares purchased for the Group's share award programme. The Group did not hold any own shares at the end of March 2015.*

PROPERTY, PLANT AND EQUIPMENT, GOODWILL, BIOLOGICAL ASSETS AND OTHER INTANGIBLE ASSETS

EUR million	Q1/15	Q1/14	2014
Carrying value at 1 January	6 461	6 442	6 442
Acquisition of subsidiary companies	-	-	48
Additions in tangible and intangible assets	108	87	713
Additions in biological assets	22	14	68
Harvesting in biological assets	-11	-6	-44
Disposals	-1	-5	-11
Disposals of subsidiary companies	-	-	-41
Depreciation and impairment	-133	-141	-766
Valuation of biological assets	2	-1	-70
Translation difference and other	287	-12	122
Statement of Financial Position Total	**6 735**	**6 378**	**6 461**

BORROWINGS

EUR million	31 Mar 15	31 Dec 14	31 Mar 14
Bond loans	2 647	2 582	3 142
Loans from credit institutions	1 437	1 414	1 363
Finance lease liabilities	69	69	77
Other non-current liabilities	71	76	88
Non-current Debt including Current Portion	**4 224**	**4 141**	**4 670**
Short-term borrowings	473	487	496
Interest payable	57	84	70
Derivative financial liabilities	236	180	141
Bank overdrafts	1	2	2
Total Interest-bearing Liabilities	**4 991**	**4 894**	**5 379**

EUR million	Q1/15	2014	Q1/14
Carrying value at 1 January	4 894	5 501	5 501
Proceeds of new long-term debt	3	166	-
Repayment of long-term debt	-116	-922	-61
Change in short-term borrowings and interest payable	-41	-32	-75
Change in derivative financial liabilities	56	39	-
Translation differences and other	195	142	14
Total Interest-bearing Liabilities	**4 991**	**4 894**	**5 379**

STATEMENT OF CHANGES IN EQUITY

CTA = Cumulative Translation Adjustment *OCI = Other Comprehensive Income* *NCI = Non-controlling Interests* *EAI = Equity Accounted Investments*

					Fair Valuation Reserve								
EUR million	**Share Capital**	**Share Premium and Reserve Fund**	**Invested Non-Restricted Equity Fund**	**Treasury Shares**	**Step Acquisition Revaluation Surplus**	**Available-for-Sale Investment**	**Cash flow Hedges**	**OCI of Equity Accounted Investments**	**CTA and Net Investment Hedges**	**Retained Earnings**	**Attributable to Owners of the Parent**	**Non-controlling Interests**	**Total**
Balance at 31 Dec 2013	**1 342**	**77**	**633**	**-**	**4**	**262**	**-9**	**-22**	**-218**	**3 144**	**5 213**	**60**	**5 273**
Profit for the period	-	-	-	-	-	-	-	-	-	99	99	1	100
OCI before tax	-	-	-	-	-	-12	-9	-3	1	-	-23	-	-23
Income tax relating to components of OCI	-	-	-	-	-	-1	2	-	-1	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-13**	**-7**	**-3**	**-**	**99**	**76**	**1**	**77**
Acquisitions and disposals	-	-	-	-	-	-	-	15	-	-15	-	7	7
Purchase of treasury shares	-	-	-	-4	-	-	-	-	-	-	-4	-	-4
Share-based payments	-	-	-	4	-	-	-	-	-	-3	1	-	1
Balance at 31 Mar 2014	**1 342**	**77**	**633**	**-**	**4**	**249**	**-16**	**-10**	**-218**	**3 225**	**5 286**	**68**	**5 354**
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-10	-10
OCI before tax	-	-	-	-	-	108	-65	-14	70	-100	-1	13	12
Income tax relating to components of OCI	-	-	-	-	-	-3	12	-	-1	17	25	-	25
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**105**	**-53**	**-14**	**69**	**-83**	**24**	**3**	**27**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-6	-243
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	94	94
Loss on NCI buy-in	-	-	-	-	-	-	-	-	-	-8	-8	8	-
Share-based payments	-	-	-	-	-	-	-	-	-	5	5	-	5
Balance at 31 Dec 2014	**1 342**	**77**	**633**	**-**	**4**	**354**	**-69**	**-24**	**-149**	**2 902**	**5 070**	**167**	**5 237**
Profit for the period	-	-	-	-	-	-	-	-	-	129	129	-	129
OCI before tax	-	-	-	-	-	23	-51	-1	154	-	125	17	142
Income tax relating to components of OCI	-	-	-	-	-	-	10	-	7	-	17	-	17
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**23**	**-41**	**-1**	**161**	**129**	**271**	**17**	**288**
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	11	11
Purchase of treasury shares	-	-	-	-6	-	-	-	-	-	-	-6	-	-6
Share-based payments	-	-	-	6	-	-	-	-	-	-5	1	-	1
Balance at 31 Mar 2015	**1 342**	**77**	**633**	**-**	**4**	**377**	**-110**	**-25**	**12**	**3 026**	**5 336**	**195**	**5 531**

Capital Commitments

The Group's direct capital expenditure contracts, excluding acquisitions, amounted to EUR 327 million (compared with EUR 237 million at 31 March 2014 and EUR 301 million at 31 December 2014). These included the Group's share of direct capital expenditure contracts in joint operations.

COMMITMENTS AND CONTINGENCIES

EUR million	31 Mar 15	31 Dec 14	31 Mar 14
On Own Behalf			
Mortgages	4	4	6
On Behalf of Equity Accounted Investments			
Guarantees	18	19	18
On Behalf of Others			
Guarantees	6	6	5
Other Commitments, Own			
Operating leases, in next 12 months	86	83	70
Operating leases, after next 12 months	898	823	530
Other commitments	5	5	5
Total	**1 017**	**940**	**634**
Mortgages	4	4	6
Guarantees	24	25	23
Operating leases	984	906	600
Other commitments	5	5	5
Total	**1 017**	**940**	**634**

SALES BY SEGMENT

EUR million	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	569	2 297	554	583	596	564
Packaging Solutions	221	1 065	263	276	259	267
Biomaterials	354	1 104	314	284	243	263
Wood Products	392	1 779	415	429	490	445
Paper	914	3 912	984	959	970	999
Other	647	2 567	645	579	654	689
Inter-segment sales	-606	-2 511	-623	-596	-633	-659
Total	**2 491**	**10 213**	**2 552**	**2 514**	**2 579**	**2 568**

OPERATIONAL EBIT BY SEGMENT

EUR million	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	79	292	44	95	91	62
Packaging Solutions	26	118	30	35	23	30
Biomaterials	73	89	34	24	10	21
Wood Products	15	89	10	22	37	20
Paper	18	172	68	33	36	35
Other	9	50	23	1	12	14
Operational EBIT	**220**	**810**	**209**	**210**	**209**	**182**
Fair valuations and non-operational items*	-13	-131	-79	-23	-18	-11
Non-recurring Items	8	-279	-225	28	-106	24
Operating Profit/Loss (IFRS)	**215**	**400**	**-95**	**215**	**85**	**195**
Net financial items	-53	-280	-98	-71	-46	-65
Profit/Loss before Tax	**162**	**120**	**-193**	**144**	**39**	**130**
Income tax expense	-33	-30	59	-21	-38	-30
Net Profit/Loss	**129**	**90**	**-134**	**123**	**1**	**100**

** Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, valuations of biological assets and the Group's share of tax and net financial items of EAI.*

NRI BY SEGMENT

EUR million	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	2	-	-	-	-	-
Packaging Solutions	-	8	8	-	-	-
Biomaterials	3	-	-	-	-	-
Wood Products	-	-11	2	-	-	-13
Paper	2	-329	-235	28	-115	-7
Other	1	53	-	-	9	44
NRI on Operating Profit/Loss	**8**	**-279**	**-225**	**28**	**-106**	**24**
NRI on tax	-	60	53	-	1	6
NRI on Net Profit/Loss	**8**	**-219**	**-172**	**28**	**-105**	**30**
NRI on Net Profit/Loss attributable to						
Owners of the Parent	8	-219	-172	28	-105	30
Non-controlling interests	-	-	-	-	-	-
	8	**-219**	**-172**	**28**	**-105**	**30**

FAIR VALUATIONS AND NON-OPERATIONAL ITEMS* BY SEGMENT

EUR million	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	2	-60	-58	-4	-	2
Packaging Solutions	-1	-1	-	-	-	-1
Biomaterials	-5	-4	3	-2	-2	-3
Wood Products	-1	-1	-	-	-	-1
Paper	-2	-1	-	-	1	-2
Other	-6	-64	-24	-17	-17	-6
FV and Non-operational Items on Operating Profit	**-13**	**-131**	**-79**	**-23**	**-18**	**-11**

** Fair valuations (FV) and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, valuations of biological assets and the Group's share of tax and net financial items of EAI.*

OPERATING PROFIT/LOSS BY SEGMENT

EUR million	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	83	232	-14	91	91	64
Packaging Solutions	25	125	38	35	23	29
Biomaterials	71	85	37	22	8	18
Wood Products	14	77	12	22	37	6
Paper	18	-158	-167	61	-78	26
Other	4	39	-1	-16	4	52
Operating Profit/Loss (IFRS)	**215**	**400**	**-95**	**215**	**85**	**195**
Net financial items	-53	-280	-98	-71	-46	-65
Profit/Loss before Tax	**162**	**120**	**-193**	**144**	**39**	**130**
Income tax expense	-33	-30	59	-21	-38	-30
Net Profit/Loss	**129**	**90**	**-134**	**123**	**1**	**100**

KEY EXCHANGE RATES FOR THE EURO

One Euro equals	Closing Rate		Average Rate	
	31 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
SEK	9.2901	9.3930	9.3839	9.0969
USD	1.0759	1.2141	1.1270	1.3288
GBP	0.7273	0.7789	0.7436	0.8064

TRANSACTION RISK AND HEDGES IN MAIN CURRENCIES AS AT 31 MARCH 2015

EUR million	USD	SEK	GBP
Estimated annual net operating cash flow exposure	1 160	-820	460
Transaction hedges as at 31 March 2015	-630	430	-240
Hedging percentage as at 31 March 2015 for the next 12 months	**54%**	**52%**	**52%**

CHANGES IN EXCHANGE RATES ON OPERATIONAL EBIT

Operational EBIT: Currency Strengthening of +10%	EUR million
USD	116
SEK	-82
GBP	46

The sensitivity is based on the estimated net operating cash flow of the next 12 months. The calculation does not take into account currency hedges, and assumes that no changes occur other than exchange rate movement in one currency. A weakening would have the opposite impact.

Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Group's Financial Report.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT AND FAIR VALUE CATEGORIES: 31 MARCH 2015

EUR million	Loans and Receivables	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Available-for-Sale Investments	Carrying Amounts	Fair Value
Financial Assets						
Available-for-sale	-	-	-	497	497	497
Non-current loan receivables	63	-	-	-	63	67
Trade and other operative receivables	1 182	3	-	-	1 185	1 185
Interest-bearing receivables	68	41	27	-	136	137
Current investments and cash	1 321	-	-	-	1 321	1 321
Carrying Amount by Category	**2 634**	**44**	**27**	**497**	**3 202**	**3 207**

EUR million	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Measured at Amortised Cost	Carrying Amounts	Fair Value
Financial Liabilities					
Non-current debt	-	-	3 618	3 618	3 767
Current portion of non-current debt	-	7	599	606	606
Interest-bearing liabilities	84	152	530	766	766
Trade and other operative payables	20	-	1 387	1 407	1 407
Bank overdrafts	-	-	1	1	1
Carrying Amount by Category	**104**	**159**	**6 135**	**6 398**	**6 547**

EUR million	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	71	-	71
Available-for-sale investments	27	-	470	497
Derivative financial liabilities	-	243	-	243
Trade and other operative liabilities	-	-	20	20

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT AND FAIR VALUE CATEGORIES: 31 DECEMBER 2014

EUR million	Loans and Receivables	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Available-for-Sale Investments	Carrying Amounts	Fair Value
Financial Assets						
Available-for-sale	-	-	-	474	474	474
Non-current loan receivables	70	-	-	-	70	74
Trade and other operative receivables	1 202	1	-	-	1 203	1 203
Interest-bearing receivables	13	38	23	-	74	74
Current investments and cash	1 446	-	-	-	1 446	1 446
Carrying Amount by Category	**2 731**	**39**	**23**	**474**	**3 267**	**3 271**

EUR million	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Measured at Amortised Cost	Carrying Amounts	Fair Value
Financial Liabilities					
Non-current debt	-	-	3 530	3 530	3 699
Current portion of non-current debt	-	6	605	611	611
Interest-bearing liabilities	75	106	570	751	751
Trade and other operative payables	17	-	1 296	1 313	1 313
Bank overdrafts	-	-	2	2	2
Carrying Amount by Category	**92**	**112**	**6 003**	**6 207**	**6 376**

EUR million	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	62	-	62
Available-for-sale investments	30	-	444	474
Derivative financial liabilities	-	187	-	187
Trade and other operative liabilities	-	-	17	17

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS: 31 MARCH 2015

EUR million	Q1/15	2014	Q1/14
Opening balance at 1 January	444	361	361
Gains/losses recognised in other comprehensive income	26	76	-16
Additions	-	8	-
Disposals	-	-1	-
Closing Balance	**470**	**444**	**345**

Level 3 Financial Assets

The level 3 financial assets consist mainly of PVO shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 3.4% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by EUR +108 million and EUR -108 million, respectively. A +/- 1% change in the discount rate would change the valuation by EUR -113 million and EUR +224 million, respectively.

Stora Enso Shares

TRADING VOLUME

	Helsinki		Stockholm	
	A share	**R share**	**A share**	**R share**
January	144 155	69 040 479	272 102	13 829 542
February	270 149	64 689 351	417 084	15 987 309
March	131 497	65 277 593	233 887	13 956 438
Total	545 801	199 007 423	923 073	43 773 289

CLOSING PRICE

	Helsinki, EUR		Stockholm, SEK	
	A share	**R share**	**A share**	**R share**
January	8.68	8.61	80.80	80.50
February	8.65	8.58	80.90	80.45
March	9.71	9.59	89.80	89.10

AVERAGE NUMBER OF SHARES

Million	Q1/15	Q1/14	Q4/14	2014
Periodic	788.6	788.6	788.6	788.6
Cumulative	788.6	788.6	788.6	788.6
Cumulative, diluted	789.8	789.6	789.6	789.2

CALCULATION OF KEY FIGURES

Operational return on capital employed, operational ROCE (%)	100 x	Operational EBIT / Capital employed[1) 2)]
Operational return on operating capital, operational ROOC (%)	100 x	Operational EBIT / Operating capital[1) 2)]
Return on equity, ROE (%)	100 x	Profit before tax and non-controlling items – taxes / Total equity[2)]
Interest-bearing net liabilities		Interest-bearing liabilities – interest-bearing assets
Debt/equity ratio		Interest-bearing net liabilities / Equity [3)]
EPS		Net profit/loss for the period[3)] / Average number of shares
Operational EBIT		Operating profit/loss excluding NRI and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding NRI and fair valuations of its equity accounted investments (EAI)
Operational EBITDA		Operating profit/loss excluding fixed asset depreciation and impairment, share of results of equity accounted investments, NRI and fair valuations
Net debt to operational EBITDA ratio		Interest-bearing net liabilities / LTM operational EBITDA
Last 12 months (LTM)		12 months prior to the reporting date
TRI		Total recordable incident rate = number of incidents per one million hours worked
LTA		Lost-time accident rate = number of lost-time accidents per one million hours worked

1) Capital employed = Operating capital – Net tax liabilities
2) Average for the financial period
3) Attributable to owners of the Parent

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Stora Enso's second quarter 2015 results will be published on 21 July 2015.
Stora Enso's Capital Markets Day will take place in London on 28 May 2015.

Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wood and paper. Our aim is to replace non-renewable materials by innovating and developing new products and services based on wood and other renewable materials. We employ some 27 000 people in more than 35 countries, and our sales in 2014 were EUR 10.2 billion. Stora Enso shares are listed on NASDAQ OMX Helsinki (STEAV, STERV) and Stockholm (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY) on the International OTCQX over-the-counter market.

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