STORA ENSO OYJ INTERIM REVIEW 23 October 2015 at 13.00 EET

Stora Enso Interim Review January–September 2015
Solid performance supported by currencies

Q3/2015 (compared with Q3/2014)
- **Sales EUR 2 500 (EUR 2 514) million remained unchanged; sales excluding the structurally declining paper and divested businesses increased 4.9% primarily due to the Montes del Plata pulp mill volumes and favourable foreign exchange rates.**
- **Operational EBIT increased by 17.1% to EUR 246 (EUR 210) million, operational EBIT margin increased to 9.8% (8.4%), mainly due to favourable foreign exchange rates, the good performance of Montes del Plata and the Nordic pulp mills, and lower fibre costs.**
- **EPS excluding non-recurring items EUR 0.13 (EUR 0.12).**
- **Continued strong cash flow from operations amounted to EUR 484 (EUR 257) million, cash flow after investing activities EUR 234 (EUR 28) million.**
- **Net debt to operational EBITDA 2.5 (2.8), liquidity reduced as planned to EUR 0.8 (EUR 1.5) billion.**
- **Operational ROCE 11.6% (9.7%), operational ROCE excluding the Guangxi project 13.1%.**

Q3/2015 (compared with Q2/2015)
- **Sales decreased by 2.4%, sales excluding the structurally declining paper and divested businesses decreased by 3.5% mainly due to usual seasonality in Wood Products.**
- **Operational EBIT increased by 18.8% mainly due to favourable foreign exchange rates, higher sales prices in local currencies and lower wood prices as well as better operational performance.**
- **Net debt to operational EBITDA 2.5 (2.7).**

Q1–Q3/2015 (compared with Q1–Q3/2014)
- **Sales decreased by 1.4%, sales excluding the structurally declining paper and divested businesses increased by 4.1%.**
- **Operational EBIT increased by 12.0% primarily due to favourable foreign exchange rates and lower fibre costs.**

Transformation
- **The construction of the Guangxi consumer board mill in China is proceeding according to plan and the installation of machinery continues. The board machine is expected to be operational in mid-2016 as announced earlier.**
- **The conversion of the Varkaus mill's fine paper machine in Finland for kraftliner is proceeding and production started in October. The machine is ramping-up and full production is expected in early 2017.**

Non-core asset divestment
- **In October, Stora Enso completed the divestment in the Consumer Board division of the Barcelona mill in Spain.**
- **In September, Stora Enso completed the divestment in the Packaging Solutions division of the Komárom plant in Hungary.**

Outlook

As announced on 12 October, Q4/2015 sales are estimated to be similar to the amount of EUR 2 500 million and operational EBIT is expected to be in line with the EUR 246 million recorded in Q3/2015.

The maintenance impact is expected to be EUR 40 million lower in Q4 compared to Q3/2015, out of which approximately EUR 20 million comes from the Paper division.

Kanavaranta 1
00160 Helsinki
P.O. Box 309
FI-00101 Helsinki, Finland
Tel +358 2046 131
Fax +358 2046 21471
www.storaenso.com

Stora Enso Oyj
Business ID 1039050-8

KEY FIGURES

EUR million	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	2 500	2 514	-0.6%	2 562	-2.4%	7 553	7 661	-1.4%	10 213
Operational EBITDA	353	333	6.0%	318	11.0%	1 011	961	5.2%	1 269
Operational EBITDA margin	14.1%	13.2%		12.4%		13.4%	12.5%		12.4%
Operational EBIT	246	210	17.1%	207	18.8%	673	601	12.0%	810
Operational EBIT margin	9.8%	8.4%		8.1%		8.9%	7.8%		7.9%
Operating profit (IFRS)	237	215	10.2%	214	10.7%	666	495	34.5%	400
Profit before tax excl. NRI	128	116	10.3%	156	-17.9%	438	367	19.3%	399
Profit before tax	144	144	-	148	-2.7%	454	313	45.0%	120
Net profit for the period	124	123	0.8%	123	0.8%	376	224	67.9%	90
Capital expenditure	284	227	25.1%	220	29.1%	634	501	26.5%	781
Capital expenditure excluding investments in biological assets	270	210	28.6%	203	33.0%	581	455	27.7%	713
Depreciation and impairment charges excl. NRI	128	140	-8.6%	135	-5.2%	396	413	-4.1%	547
Net interest-bearing liabilities	3 248	3 459	-6.1%	3 479	-6.6%	3 248	3 459	-6.1%	3 274
Operational ROCE	11.6%	9.7%		9.4%		10.6%	9.3%		9.5%
Earnings per share (EPS), excl. NRI, EUR	0.13	0.12		0.18		0.46	0.34		0.40
EPS (basic), EUR	0.16	0.15		0.17		0.49	0.28		0.13
Return on equity (ROE)	9.7%	9.2%		9.2%		9.7%	5.6%		1.7%
Debt/equity ratio	0.66	0.66		0.70		0.66	0.66		0.65
Net debt/last twelve months' operational EBITDA	2.5	2.8		2.7		2.5	2.8		2.6
Fixed costs to sales	25.0%	24.9%		25.5%		24.8%	25.0%		25.1%
Equity per share, EUR	6.24	6.65		6.33		6.24	6.65		6.43
Average number of employees	27 232	29 627	-8.1%	27 173	0.2%	27 090	29 302	-7.5%	29 009
TRI rate	10.4	14.1	-26.2%	10.4	-	10.4	13.0	-20.0%	12.5
LTA rate	4.0	6.0	-33.3%	4.2	-4.8%	4.3	5.3	-18.9%	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.*

STORA ENSO DELIVERIES AND PRODUCTION

	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Board deliveries, 1 000 tonnes	778	809	-3.8%	778	-	2 304	2 383	-3.3%	3 158
Board production, 1 000 tonnes	850	903	-5.9%	852	-0.2%	2 554	2 667	-4.2%	3 489
Corrugated packaging deliveries, million m^2	277	283	-2.1%	287	-3.5%	838	817	2.6%	1 104
Market pulp deliveries, 1 000 tonnes	460	349	31.8%	470	-2.1%	1 387	958	44.8%	1 371
Wood product deliveries, 1 000 m^3	1 086	1 120	-3.0%	1 186	-8.4%	3 333	3 544	-6.0%	4 646
Paper deliveries, 1 000 tonnes	1 477	1 480	-0.2%	1 445	2.2%	4 354	4 486	-2.9%	6 006
Paper production, 1 000 tonnes	1 443	1 476	-2.2%	1 444	-0.1%	4 359	4 522	-3.6%	6 034

RECONCILIATION OF OPERATIONAL PROFITABILITY

EUR million	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Operational EBITDA	**353**	**333**	**6.0%**	**318**	**11.0%**	**1 011**	**961**	**5.2%**	**1 269**
Equity accounted investments (EAI), operational*	21	17	23.5%	24	-12.5%	58	53	9.4%	88
Depreciation and impairment excl. NRI	-128	-140	8.6%	-135	5.2%	-396	-413	4.1%	-547
Operational EBIT	**246**	**210**	**17.1%**	**207**	**18.8%**	**673**	**601**	**12.0%**	**810**
Fair valuations and non-operational items**	-25	-23	-8.7%	15	-266.7%	-23	-52	55.8%	-131
Non-recurring items	16	28	-42.9%	-8	n/m	16	-54	129.6%	-279
Operating Profit (IFRS)	**237**	**215**	**10.2%**	**214**	**10.7%**	**666**	**495**	**34.5%**	**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.*

THIRD QUARTER 2015 RESULTS (compared with third quarter 2014)

BREAKDOWN OF CHANGE IN SALES Q3/2014 TO Q3/2015

	Sales
Q3/14, EUR million	**2 514**
Price and mix	-2%
Currency	2%
Volume	-
Other sales*	-
Total before structural changes	-
Structural changes**	-1%
Total	-1%
Q3/15, EUR million	**2 500**

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

Group sales of EUR 2 500 million were EUR 14 million lower than a year ago. Operational EBIT was EUR 246 (EUR 210) million, an increase of EUR 36 million or 17.1%. The operational EBIT margin was 9.8% (8.4%).

Lower sales prices in local currencies, especially in paper grades, decreased operational EBIT by EUR 34 million despite higher pulp sales prices in local currencies. Sales volumes had a EUR 28 million negative impact on operational EBIT, mainly due to the divestment of the Corenso business operations. Fibre costs were EUR 44 million lower and energy costs decreased by EUR 17 million which was partly offset by EUR 11 million higher fixed costs, mainly due to increased maintenance activity. Lower depreciation in Paper, largely as a result of the impairment of fixed assets recorded in the fourth quarter of 2014, was offset by higher transportation and chemicals costs.

The one-day political strike in September – to protest against Finland's newly formed government implementing changes in labour legislation – had a negative impact of approximately EUR 5–7 million on the Group's Finnish operations.

The net foreign exchange impact on operational EBIT was a positive EUR 57 million mainly due to a stronger US dollar and a weaker Brazilian real, approximately EUR 40 million of this relates to the 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 7% (10%), board production by 7% (5%), and sawn wood production by 3% (5%) to reduce working capital.

The average number of employees in the third quarter of 2015 was 27 230, which is 2 400 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 the Corenso business operations and the Uetersen mill in Germany, as well as the closure of the Corbehem mill in France and the closure of the packaging unit in Chennai, India. The average number of employees was 1 400 lower in Europe and 700 lower in China than a year earlier.

The Group recorded non-recurring items (NRI) with a positive impact of EUR 16 million in the third quarter 2015 operating profit. The NRIs are reversals of earlier environmental provisions.

Net financial expenses at EUR 93 million were EUR 22 million higher than a year ago. The net interest expenses decreased by EUR 9 million due to lower debt levels. One-time net expenses of EUR 4 million were recorded in the third quarter of 2015, in connection with the early repayment in August of a EUR 190 million bond held by Swedish Export Credit Corporation (SEK), originally maturing in 2016. The net foreign exchange impact in the third quarter in respect of cash, interest-bearing assets and liabilities and related hedges amounted to a loss of EUR 43 (loss of EUR 16) million.

BREAKDOWN OF CHANGE IN CAPITAL EMPLOYED – 30 SEPTEMBER 2014 TO 30 SEPTEMBER 2015

	Capital Employed
30 September 2014, EUR million	**8 788**
Capital expenditure less depreciation	365
Impairments and reversal of impairments	-212
Valuation of biological assets	-62
Available-for-sale: operative (mainly PVO)	-153
Equity accounted investments	16
Net liabilities in defined benefit plans	-56
Operative working capital and other interest-free items, net	-252
Net tax liabilities	75
Translation difference	-100
Other changes	-64
30 September 2015, EUR million	**8 345**

The operational return on capital employed was 11.6% (9.7%). Excluding the ongoing Guangxi investment in the Consumer Board division, the operational return on capital employed would have been 13.1%. In the third quarter of 2014, the operational return on capital employed excluding the Guangxi investment in Consumer Board and the Montes del Plata investment in Biomaterials would have been 13.0%.

JANUARY–SEPTEMBER 2015 RESULTS (compared with January–September 2014)

Sales decreased by EUR 108 million or 1.4% to EUR 7 553 million. Operational EBIT was EUR 72 million higher at EUR 673 million. The net foreign exchange impact on operational EBIT was a positive EUR 187 million, which was especially influenced by Biomaterials. Lower average sales prices in local currencies, mainly in the Paper division, decreased operational EBIT by EUR 164 million. Variable costs were EUR 120 million lower, mainly due to lower fibre and energy costs. Fixed costs were EUR 22 million higher and volumes had a negative impact of EUR 69 million, mainly due to the divestment of Corenso business operations. Depreciation was EUR 16 million lower, primarily due to the impairment of fixed assets recorded in the fourth quarter of 2014.

THIRD QUARTER 2015 RESULTS (compared with second quarter 2015)

Sales were EUR 62 million or 2.4% lower at EUR 2 500 million and operational EBIT was EUR 39 million or 18.8% higher at EUR 246 million. The net foreign exchange translation impact on operational EBIT was a positive EUR 32 million. Sales prices in local currencies had a EUR 12 million positive impact on operational EBIT.

FINANCING IN THIRD QUARTER 2015 (compared with second quarter 2015)

CAPITAL STRUCTURE

EUR million	30 Sep 15	30 Jun 15	31 Dec 14	30 Sep 14
Operative fixed assets*	6 874	6 968	6 932	7 011
Equity accounted investments	1 057	1 078	1 056	1 065
Operative working capital, net	1 031	1 253	1 174	1 403
Non-current interest-free items, net	-551	-586	-604	-542
Operating Capital Total	**8 411**	**8 713**	**8 558**	**8 937**
Net tax liabilities	-66	-59	-47	-149
Capital Employed	**8 345**	**8 654**	**8 511**	**8 788**
Equity attributable to owners of the Parent	4 923	4 994	5 070	5 241
Non-controlling interests	174	181	167	171
Net interest-bearing liabilities	3 248	3 479	3 274	3 459
Held for sale	-	-	-	-83
Financing Total	**8 345**	**8 654**	**8 511**	**8 788**

** 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 remained unchanged at EUR 700 million, and cash and cash equivalents net of overdrafts were at EUR 797 million, which is EUR 189 million less than for the previous quarter. Higher liquidity, which Stora Enso has had in the past, has been brought down as planned by reducing gross debt. In addition, Stora Enso has access to various long-term sources of funding up to EUR 900 (1 000) million.

The net debt was EUR 3 248 million, a decrease of EUR 231 million from the previous quarter, mainly as a result of strong net cash inflows from operating activities that benefited from active working capital management and improved earnings.

In August, Stora Enso successfully issued two bonds under its EMTN (Euro Medium Term Note) programme. The EUR 125 million ten-year bond pays a floating coupon of Euribor +2.25%. The second bond is a EUR 25 million twelve-year bond that pays a floating coupon of Euribor +2.35%. There are no financial covenants. The sole lead manager for the deal was SEK (Swedish Export Credit Corporation). Stora Enso also repurchased the remaining EUR 190 million from SEK of the bond issued in 2009, which had a floating rate note with a coupon of Euribor +4.21% maturing in 2016. The transactions will extend Stora Enso’s weighted debt maturity profile and reduce interest costs.

The fair value of PVO shares accounted for as available-for-sale investments decreased in the quarter by EUR 47 million to EUR 179 million. The change in fair value occurred mostly as a result of decreases in the electricity prices. The changes in fair valuation are included in the Other Comprehensive Income in equity.

The ratio of net debt to the last twelve months’ operational EBITDA was 2.5 (2.7).

CASH FLOW IN THIRD QUARTER 2015

CASH FLOW

EUR million	Q3/15	Q3/14	Change% Q3/15–Q3/14	Q2/15	Change% Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change% Q1–Q3/15–Q1–Q3/14	2014
Operational EBITDA	353	333	6.0%	318	11.0%	1 011	961	5.2%	1 269
NRI on operational EBITDA	16	18	-11.1%	-7	n/m	17	-111	115.3%	-122
Dividends received from equity accounted investments	1	1	-	31	-96.8%	32	18	77.8%	19
Other adjustments	16	6	166.7%	21	-23.8%	47	22	113.6%	29
Change in working capital	98	-101	197.0%	126	-22.2%	37	-193	119.2%	-56
Cash Flow from Operations	**484**	**257**	**88.3%**	**489**	**-1.0%**	**1 144**	**697**	**64.1%**	**1 139**
Cash spent on fixed and biological assets	-250	-229	-9.2%	-228	-9.6%	-620	-523	-18.5%	-787
Acquisitions of equity accounted investments	-	-	-	-	-	-	-97	100.0%	-97
Cash Flow after Investing Activities	**234**	**28**	**n/m**	**261**	**-10.3%**	**524**	**77**	**n/m**	**255**

The third quarter 2015 cash flow from operations was EUR 484 million. Receivables decreased by EUR 60 million and payables increased by EUR 55 million as a result of active working capital management. Inventories remained unchanged. Payments relating to the previously announced restructuring provisions amounted to EUR 15 million.

CAPITAL EXPENDITURE IN JANUARY – SEPTEMBER 2015

Additions to fixed and biological assets during the first three quarters of 2015 totalled EUR 634 million, of which EUR 581 million were fixed assets and EUR 53 million biological assets. Depreciations during the three first quarters of 2015 totalled EUR 396 million. Additions in fixed assets and biological assets had a cash outflow impact of EUR 620 million in the first three quarters of 2015.

The main projects ongoing during the first three quarters of 2015 were the board machine project in Guangxi and the conversion of the Varkaus mill paper machine for kraftliner.

CAPITAL EXPENDITURE, EQUITY INJECTIONS AND DEPRECIATION FORECAST 2015

EUR million	Forecast 2015
Capital expenditure	940–970
Depreciation	520–540

The capital expenditure forecast has been increased from EUR 820–880 million – that was communicated earlier – to EUR 940–970 million. The capitalisation of the investment projects in Varkaus and Guangxi has been faster than previously planned. The total capital expenditure for the projects remains unchanged.

The capital expenditure forecast includes EUR 90 million for biological assets and approximately EUR 450 million for the Guangxi project.

NEAR-TERM OUTLOOK

As announced on 12 October, sales in the fourth quarter of 2015 are estimated to be similar to the amount of EUR 2 500 million and operational EBIT is expected to be in line with the EUR 246 million recorded in the third quarter.

The maintenance impact is expected to be EUR 40 million lower in the fourth quarter compared to the third quarter, out of which approximately EUR 20 million comes from the Paper division.

SEGMENTS IN THIRD QUARTER 2015 (compared with third quarter 2014)

Stora Enso 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 four mills in Finland and Sweden. We serve brand owners globally and are expanding in growth markets such as China and Pakistan to meet rising demand.

EUR million	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	608	583	4.3%	603	0.8%	1 780	1 743	2.1%	2 297
Operational EBITDA	116	129	-10.1%	114	1.8%	345	358	-3.6%	439
Operational EBITDA margin	19.1%	22.1%		18.9%		19.4%	20.5%		19.1%
Operational EBIT	80	95	-15.8%	78	2.6%	237	248	-4.4%	292
Operational EBIT margin	13.2%	16.3%		12.9%		13.3%	14.2%		12.7%
Operational ROOC*	16.4%	22.4%		16.1%		17.1%	19.8%		17.8%
Cash flow from operations	166	101	64.4%	124	33.9%	329	259	27.0%	386
Cash flow after investing activities	25	-21	219.0%	39	-35.9%	36	44	-18.2%	60
Board deliveries, 1 000 tonnes	637	619	2.9%	643	-0.9%	1 883	1 846	2.0%	2 434
Board production, 1 000 tonnes	632	629	0.5%	645	-2.0%	1 915	1 871	2.4%	2 426

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

- Sales increased by 4.3% due to volume increases in food service boards and general packaging.
- Operational EBIT declined by EUR 15 million. The higher board volumes, positive sales price and mix effect only partly offset the higher variable costs of EUR 12 million resulting from higher pulp and chemicals cost. Preparations ahead of the start-up of the Guangxi mill increased fixed costs.
- Operational EBIT excluding the Guangxi project amounted to EUR 88 million. The construction of the consumer board mill is proceeding according to plan and the installation of machinery continues. The board machine is expected to be operational in mid-2016. Going forward, the preparation costs at the Guangxi mill ahead of the start-up are estimated to remain at approximately the level of EUR 10 million quarterly.
- In October, Stora Enso completed the divestment of the Barcelona mill in Spain which produced recycled-fibre based consumer board.
- The investment at the Imatra mill in Finland in quality, cost-competitiveness and an increase in capacity was completed according to plan.
- The packaging Innovation Centre in Helsinki is scheduled to open during the fourth quarter.
- During the fourth quarter, there will be scheduled maintenance shutdowns at the Skoghall and Fors mills in Sweden.

MARKETS

Product	Market	Demand Q3/15 compared with Q3/14	Demand Q3/15 compared with Q2/15	Price Q3/15 compared with Q3/14	Price Q3/15 compared with Q2/15
Consumer board	Europe	Stable	Slightly stronger	Slightly higher	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 there are converting plants in eight countries in Europe and Asia.

EUR million	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	226	276	-18.1%	226	-	673	802	-16.1%	1 065
Operational EBITDA	32	51	-37.3%	38	-15.8%	110	137	-19.7%	183
Operational EBITDA margin	14.2%	18.5%		16.8%		16.3%	17.1%		17.2%
Operational EBIT	18	35	-48.6%	24	-25.0%	68	88	-22.7%	118
Operational EBIT margin	8.0%	12.7%		10.6%		10.1%	11.0%		11.1%
Operational ROOC*	8.7%	16.0%		11.7%		11.2%	13.3%		14.1%
Cash flow from operations	46	58	-20.7%	39	17.9%	115	139	-17.3%	182
Cash flow after investing activities	6	45	-86.7%	20	-70.0%	44	107	-58.9%	128
Board deliveries, 1 000 tonnes	141	190	-25.8%	135	4.4%	421	537	-21.6%	724
Board production, 1 000 tonnes	218	274	-20.4%	207	5.3%	639	796	-19.7%	1 063
Corrugated packaging deliveries, million m^2	277	283	-2.1%	287	-3.5%	838	817	2.6%	1 104
Corrugated packaging production, million m^2	272	270	0.7%	276	-1.4%	823	793	3.8%	1 085

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

- Sales, excluding the divested Corenso operations, remained unchanged. Higher average sales prices in local currencies were offset by a negative foreign currency and mix impact.
- Operational EBIT was EUR 17 million lower.
- Operational EBIT excluding the impact of the divested Corenso operations decreased by EUR 10 million. The Varkaus project and the divestment of the Komárom mill had a negative impact of EUR 8 million and EUR 4 million on operational EBIT respectively.
- In September, Stora Enso completed the divestment of the Komárom mill.
- At the Varkaus mill, the conversion of the fine paper machine for kraftliner is proceeding and the production of kraftliner began in October. The machine is ramping-up and full production is expected in early 2017.
- The packaging Innovation Centre in Helsinki is scheduled to open during the fourth quarter.
- During the fourth quarter, there will be scheduled a maintenance shutdown at the Heinola mill in Finland.

MARKETS

Product	Market	Demand Q3/15 compared with Q3/14	Demand Q3/15 compared with Q2/15	Price Q3/15 compared with Q3/14	Price Q3/15 compared with Q2/15
Corrugated packaging	Europe	Slightly stronger	Stable	Higher	Slightly higher

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	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	392	284	38.0%	364	7.7%	1 110	790	40.5%	1 104
Operational EBITDA	125	47	166.0%	87	43.7%	312	113	176.1%	173
Operational EBITDA margin	31.9%	16.5%		23.9%		28.1%	14.3%		15.7%
Operational EBIT	100	24	n/m	59	69.5%	232	55	n/m	89
Operational EBIT margin	25.5%	8.5%		16.2%		20.9%	7.0%		8.1%
Operational ROOC*	15.5%	4.2%		8.9%		12.4%	3.3%		3.9%
Cash flow from operations	107	27	296.3%	133	-19.5%	258	119	116.8%	136
Cash flow after investing activities	79	-30	n/m	35	125.7%	96	-68	241.2%	-108
Pulp deliveries, 1 000 tonnes	632	528	19.7%	630	0.3%	1 855	1 493	24.2%	2 076

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

- Sales were clearly higher due to the increased volumes from the Montes del Plata pulp mill in Uruguay and positive foreign exchange rate movements.
- Operational EBIT was clearly higher due to the Montes del Plata ramp-up, favourable foreign exchange rate impact, the good performance of the Nordic pulp mills and higher hardwood pulp prices.
- At the Sunila mill in Finland, the first volumes of lignin are expected to be commercialised in early 2016, as the qualification process with customers is proceeding.
- The construction of the Xylose Demo Plant in the USA is proceeding well and is on schedule.
- The Innovation Centre in Stockholm is now operational and ramping up.
- During the fourth quarter, there will be a scheduled maintenance shutdown at the Sunila mill in Finland. The maintenance shutdown at the Skutskär mill in Sweden began during the third quarter and continued into the fourth quarter as planned.

MARKETS

Product	Market	Demand Q3/15 compared with Q3/14	Demand Q3/15 compared with Q2/15	Price Q3/15 compared with Q3/14	Price Q3/15 compared with Q2/15
Softwood pulp	Europe	Slightly weaker	Slightly stronger	Lower	Stable
Hardwood pulp	Europe	Stable	Slightly weaker	Significantly higher	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	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	375	429	-12.6%	441	-15.0%	1 208	1 364	-11.4%	1 779
Operational EBITDA	30	30	-	32	-6.3%	85	107	-20.6%	126
Operational EBITDA margin	8.0%	7.0%		7.3%		7.0%	7.8%		7.1%
Operational EBIT	22	22	-	23	-4.3%	60	79	-24.1%	89
Operational EBIT margin	5.9%	5.1%		5.2%		5.0%	5.8%		5.0%
Operational ROOC*	17.5%	16.0%		17.9%		15.9%	20.1%		17.3%
Cash flow from operations	44	52	-15.4%	50	-12.0%	108	53	103.8%	86
Cash flow after investing activities	34	48	-29.2%	42	-19.0%	80	43	86.0%	58
Deliveries,1 000 m^3	1 051	1 090	-3.6%	1 142	-8.0%	3 218	3 427	-6.1%	4 493

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

- Sales decreased mostly as a result of lower volumes to North African and Middle Eastern markets.
- Operational EBIT remained unchanged despite lower sales. Lower average prices in local currencies were compensated for by lower personnel and wood costs.
- Investment in a new production line for wooden building elements at the Varkaus mill is proceeding according to plan and production is scheduled to begin in the second quarter of 2016.
- The co-determination process regarding temporary layoffs at the Finnish redwood sawmills at Honkalahti and Uimaharju, as well as at the whitewood sawmill at Kitee were conducted in the third quarter and closed in October. The co-determination process at the Varkaus sawmill and the restructuring process at Puumerkki in Finland and Lithuania, started during the third quarter, were also closed in October.

MARKETS

Product	Market	Demand Q3/15 compared with Q3/14	Demand Q3/15 compared with Q2/15	Price Q3/15 compared with Q3/14	Price Q3/15 compared with Q2/15
Wood products	Europe	Slightly stronger	Weaker	Slightly lower	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	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	911	959	-5.0%	915	-0.4%	2 740	2 928	-6.4%	3 912
Operational EBITDA	44	84	-47.6%	52	-15.4%	157	252	-37.7%	361
Operational EBITDA margin	4.8%	8.8%		5.7%		5.7%	8.6%		9.2%
Operational EBIT	6	33	-81.8%	12	-50.0%	36	104	-65.4%	172
Operational EBIT margin	0.7%	3.4%		1.3%		1.3%	3.6%		4.4%
Operational ROOC*	1.6%	6.7%		3.1%		3.2%	6.9%		9.4%
Cash flow from operations	108	72	50.0%	59	83.1%	232	141	64.5%	354
Cash flow after investing activities	84	43	95.3%	47	78.7%	185	71	160.6%	243
Cash flow after investing activities to sales	9.2%	4.5%		5.1%		6.8%	2.4%		6.2%
Paper deliveries, 1 000 tonnes	1 477	1 480	-0.2%	1 445	2.2%	4 354	4 486	-2.9%	6 006
Paper production, 1 000 tonnes	1 443	1 476	-2.2%	1 444	-0.1%	4 359	4 522	-3.6%	6 034

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

- Sales declined by 5.0% to EUR 911 million. Volumes excluding the disposal of the Uetersen mill improved slightly but were more than offset by the lower average sales prices in local currencies.
- Operational EBIT was EUR 27 million lower. Lower depreciation, mainly due to the impairment of fixed assets recorded in the fourth quarter of 2014 and positive net foreign currency movement were more than offset by lower sales prices in local currencies and higher pulp costs. Operational EBIT was affected by the major maintenance and investment standstill at the Oulu mill in Finland.
- The ratio of cash flow after investing activities to sales increased to 9.2% due to improved working capital.
- Paper production at the Varkaus mill ceased at the end of August decreasing the Group's uncoated fine paper capacity by 280 000 tonnes annually. The machine has been converted to produce kraftliner.
- During the fourth quarter, there will be a scheduled maintenance shutdown at the Nymölla mill in Sweden.

MARKETS

Product	Market	Demand Q3/15 compared with Q3/14	Demand Q3/15 compared with Q2/15	Price Q3/15 compared with Q3/14	Price Q3/15 compared with Q2/15
Paper	Europe	Slightly weaker	Slightly stronger	Lower	Stable

Other

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

EUR million	Q3/15	Q3/14	Change % Q3/15–Q3/14	Q2/15	Change % Q3/15–Q2/15	Q1–Q3/15	Q1–Q3/14	Change % Q1–Q3/15–Q1–Q3/14	2014
Sales	563	579	-2.8%	629	-10.5%	1 839	1 922	-4.3%	2 567
Operational EBITDA	6	-8	175.0%	-5	220.0%	2	-6	133.3%	-13
Operational EBITDA margin	1.1%	-1.4%		-0.8%		0.1%	-0.3%		-0.5%
Operational EBIT	20	1	n/m	11	81.8%	40	27	48.1%	50
Operational EBIT margin	3.6%	0.2%		1.7%		2.2%	1.4%		1.9%
Cash flow from operations	13	-53	124.5%	84	-84.5%	102	-14	n/m	-5
Cash flow after investing activities	6	-57	110.5%	78	-92.3%	83	-120	169.2%	-126

- Operational EBIT improved by EUR 19 million due to a stronger performance in wood sourcing in the Nordic countries, lower fixed costs and higher capital gains in the equity accounted investments Bergvik and Tornator. The third quarter 2014 was burdened by cost related to winding down of the captive insurance company.

GLOBAL RESPONSIBILITY IN THIRD QUARTER 2015 (compared with third quarter 2014)

Safety performance

TRI AND LTA RATES

	Q3/15	Q3/14	Q2/15	Q1–Q3/15	Q1–Q3/14	2014	Target	Target to be reached by
TRI rate	10.4	14.1	10.4	10.4	13.0	12.5	8.8	end of 2015
LTA rate	4.0	6.0	4.2	4.3	5.3	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.*

Human and Labour Rights

Stora Enso's partnership with the International Labour Organization (ILO)
As part of the partnership in Pakistan, the ILO, Stora Enso and Bulleh Shah Packaging decided during the third quarter to

- commission formative research using ILO methodology to examine labour practices. In particular, this includes child labour in the urban informal waste paper recycling sector and in the rural communities that supply agricultural by-products to the paper and board industry
- reconvene in a meeting with the ILO's tripartite constituents[1] in Pakistan in early 2016 to refine the project strategy and develop an action to implement it
- seek cooperation on the basis of the participating partners' respective mandates in order to contribute to the elimination of child labour and promotion of decent work in the Punjab province

Advisory services agreement with IFC in Laos
On 18 September Stora Enso Laos signed an advisory services agreement with the International Finance Corporation (IFC), a member of the World Bank Group. The purpose is to assist the operations, which consist of 2 200 hectares of trial plantations, in stakeholder identification and land licensing processes to improve land management.

Actions plans to address the Danish Institute for Human Rights (DIHR) assessment findings

PROGRESS ON THE IMPLEMENTATION OF PREVENTIVE AND REMEDIATION ACTIONS

	Completed	On track	Not on track	Regular review*
Implementation progress, % of all the actions	55%	37%	3%	5%

**Longer-term actions without a targeted end-date that require continuous review.*

By the end of the quarter 55% (23% by the end of Q2) of the preventive and remediation actions were completed. The actions are based on the UN Guiding Principles on Business and Human Rights and criteria created in collaboration with DIHR.

Responsible Sourcing

Implementation of the new Supplier Code of Conduct

SUPPLIER CODE OF CONDUCT

	30 Sep 15	30 Jun 15	31 Dec 14	30 Sep 14	Target	Target to be reached by
% of supplier spend covered by the Supplier Code of Conduct*	87%	82%	78%	32%	90%	end of 2016

** Excluding joint operations and wood supply. The target scope covers the Group's total annual supplier spending.*

By the end of the third quarter, 87% of the Group's spending on materials and services was covered by the new Code.

[1] The International Labour Organization (ILO) is a tripartite U.N. agency with government, employer, and worker representatives.

Mitigating Child Labour in Pakistan

BULLEH SHAH PACKAGING'S DIRECT SUPPLIERS OF DOMESTIC FIBRE AND AGRICULTURAL BY-PRODUCTS

	30 Sep 15	30 Jun 15	31 Dec 14	30 Sep 14	Target	Target to be reached by
Number of direct active suppliers	335	286	143	130		
Annual audit coverage (%)*	45%	32%	87%	79%	55%	end of 2015

**The share of direct suppliers of OCC and agricultural by-products that are audited during the calendar year. Excluding institutional OCC suppliers identified as low risk.*

Bulleh Shah Packaging (BSP) conducted 83 (47) audits of its material and service suppliers during the third quarter.

Eleven child labour and young worker cases not in compliance with ILO conventions, and unacceptable to Stora Enso, were confirmed during the third quarter in the operations of wheat straw, corn stalk, spare parts and waste paper suppliers. The employment of these children by subcontractors violates the suppliers' contractual obligations under Bulleh Shah Packaging's Supplier Sustainability Requirements. These suppliers were immediately instructed to take corrective action in accordance with BSP's Child Labour Remediation Policy. The policy requires suppliers to find a long-term solution for the child and the family in the best interest of the child, including ensuring access to school. All of the suppliers involved in these cases will be re-audited during October 2015.

The mobile medical clinic was delayed due to administrative licence issues that are still ongoing. The medical clinic is now expected to start operations in early 2016.

Forestry and land use in Guangxi, China

Correction of land leasing contracts

SOCIAL FORESTLANDS LEASED BY STORA ENSO IN GUANGXI

	30 Sep 15	30 Jun 15	31 Dec 14	30 Sep 14	Target	Target to be reached by
Social forestland leased, ha	32 507	32 483	32 591	32 623		
Leased area without contractual defects, ha	16 439	16 394	16 003	15 320		
Lease contracts without contractual defects, % of all contracts	62%	62%	61%	58%	100%	start-up of the planned pulp mill*

In the contracts without defects the ownership of land is clear or solved, and the 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.*

Stora Enso leases a total of 86 421 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.

In cases of conflict that the contract correction procedures cannot resolve, Stora Enso will terminate the contracts in a responsible way. The target for the end of 2015 is to terminate identified irreconcilable contracts corresponding to 1 065 hectares. By the end of the third quarter, irreconcilable contracts corresponding to 268 hectares had been terminated. During the quarter, Stora Enso focused on correcting the most complex contracts, thereby slowing down the progress.

Land occupations by the Social Landless Movements in Bahia, Brazil

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

	30 Sep 15	30 Jun 15	31 Dec 14	30 Sep 14
Area occupied by social movements not involved in the Sustainable Settlement Initiative, ha	5 773	5 496	2 219	2 223

As of the end of September, 5 773 hectares of land owned by Veracel were occupied by social landless movements that are not involved in the Sustainable Settlement Initiative. Veracel has reserved 16 500 hectares to support this initiative. The total land area owned by Veracel was 211 500 hectares as of the end of 2014, of which 90 500 are used for eucalyptus plantations. The area previously occupied by the Union of Peasant Resistance (URC) has expanded during the third quarter.

Environmental performance

ENVIRONMENTAL PERFORMANCE COMPARED TO BASELINE LEVELS*

	Q3/15**	Q3/14	Q2/15	Q1–Q3/15**	Q1–Q3/14	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)***	-34%	-29%	-36%	-32%	-28%	-27%	-35%	end of 2025
Process water discharges								
Reduction of volume per saleable tonne of pulp, paper and board (m^3/t)	1%	-1%	-1%	-2%	-4%	-4%	-6%	end of 2015
Reduction of Chemical Oxygen Demand (COD) per saleable tonne of pulp, paper and board (kg/t)	-2%	-2%	-2%	-3%	-6%	-5%	-7%	end of 2015

** From baseline levels: year 2006 in CO_2 emissions, year 2005 in the volume (m^3) 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 completion.*
*** Q3 performance includes July and August. The Q3 performance will be completed with September performance in Full Year Results for 2015.*
**** Covering direct fossil CO_2 emissions from production and indirect fossil CO_2 emissions related to purchased electricity and heat (Scope 1 and 2).*

The Chemical Oxygen Demand (COD) levels and the volume of the Group’s process water discharges were affected by weak environmental performance at some of the largest mills, mainly due to production problems in board production at the Imatra mill and ongoing repair work of aerators at the Nymölla mill.

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
- MSCI Global Sustainability and SRI Indexes

In October, Stora Enso received the highest rating in a report on Sustainability Communication in Sweden. The study, which includes all 72 companies listed on the Nasdaq Stockholm Large Cap index, is conducted with the aim of exploring and measuring sustainability communications. The report is commissioned by the Mistra Center for Sustainable Markets (MISUM) in collaboration with the Stockholm School of Economics.

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 5 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 167 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 125 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 58 million on operational EBIT for the next 12 months.

A decrease of energy, wood, pulp 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 crown and British pound against the euro would be about positive EUR 107 million, negative EUR 82 million and positive EUR 45 million annual impact, respectively. A weakening of the currencies would have the opposite impact. These figures do not include the effect of hedges and assume that no changes will occur – other than a single currency exchange rate movement.

The Group incurs annual unhedged net costs worth approximately EUR 100 million in Brazilian real (BRL) in its operations in Brazil. For these flows, a 10% strengthening in the value of BRL would have a EUR 10 million negative impact on operational EBIT.

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 to be paid regarding the dispute should be approximately USD 54 (EUR 44) million. Stora Enso denies any breach of contract and disputes the method for calculating the interest to be paid. 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 relevant 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.

Legal Proceeding 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 competition law infringements. The total claim against 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 the defendants amounts to approximately EUR 35 million, the secondary claims solely against Stora Enso amount to approximately EUR 10 million. Stora Enso denies that Metsähallitus and the 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 appealed the Court of Appeals decision in the Supreme Court. No provisions have been made in Stora Enso's accounts for these lawsuits.

SHARE CAPITAL AND SHAREHOLDINGS

During the third quarter of 2015, the conversion of a total of 7 390 A shares into R shares was recorded in the Finnish trade register.

On 30 September 2015, Stora Enso had 176 597 424 A shares and 612 022 563 R shares in issue. The company did not hold its own shares.

EVENTS AFTER THE PERIOD

Stora Enso announced today that its equity accounted investment Bergvik Skog AB in Sweden increases the IFRS fair value of its biological assets. Stora Enso's share of the increase, net of tax, is approximately SEK 4.1 billion (EUR 435 million).

This release has been prepared in Finnish, English and Swedish. If there are any variations in the content between the versions, the English version shall govern. This report is unaudited.

Helsinki, 23 October 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 the conversion of cellulosic biomass into highly refined sugars and lignin. The accounting for the business combination has been finalised. The assets and liabilities recognised for the business combination have been determined using a combination of income and cost approaches. The cash consideration was EUR 17 million with maximum additional payouts totalling EUR 21 million following the 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. Subsequent changes in the fair value have been recognised in the Income Statement. On 30 June 2015 the fair value of the contingent consideration totalled EUR 19 million. The transaction resulted in goodwill of EUR 28 million.

As the business was acquired near the end of the second quarter of 2014, the fair values of the acquired assets, liabilities and goodwill as at 30 June 2014 were determined on a provisional basis pending finalisation of the post-combination review of the fair value of the acquired assets. As a result of the post-combination review a part of the consideration was allocated to the acquired intangible assets decreasing the amount of goodwill initially recognized from EUR 44 million to EUR 28 million.

EUR million	30 Jun 2015 (finalised)	31 Dec 2014 (provisional)	30 Jun 2014 (provisional)
Acquired Net Assets			
Cash and cash equivalents, net of bank overdraft	1	1	1
Intangible assets and property, plant and equipment	20	20	2
Tax assets and liabilities	-5	-5	0
Working capital	-4	-4	-2
Interest-bearing assets and liabilities	-8	-8	-7
Fair Value of Net Assets in Acquired Companies	**4**	**4**	**-6**
Goodwill	28	28	44
Total Purchase Consideration	**32**	**32**	**38**

Disposal of Uetersen paper mill in Germany

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.

Disposal of Komárom packaging plant in Hungary

On 30 September, Stora Enso divested its offset printed micro-flute packaging plant in Komárom to Van Genechten Packaging International S.A., a leading Belgian packaging company. The cash consideration for the divestment of the shares was EUR 12 million, subject to customary post-closing adjustments. The transaction resulted in a loss of approximately EUR 4 million, mainly due to cumulative translation adjustments. Based on 2014 annual figures, the divestment will reduce Stora Enso's annual sales by EUR 14 million and simultaneously decrease the annual corrugated packaging converting capacity by approximately 15 million m^2. The Komárom plant employs approximately 90 people and was part of the Packaging Solutions division.

EUR million	30 Sep 2015
Non-current assets	8
Inventories	1
Receivables	3
Cash and cash equivalents	2
Total assets	**14**
Current liabilities	2
Total liabilities	**2**
Net assets disposed of on 30 September 2015	**12**

Disposal of Barcelona mill in Spain

On 27 July, Stora Enso signed an agreement to divest its Barcelona mill, which produces recycled-fibre based consumer board, to the private equity fund Quantum. The closing took place on 1 October. The initial cash consideration for the divestment of the shares was EUR 10 million subject to customary post-closing adjustments. On 30 September 2015, the net assets to be disposed of were measured at fair value which resulted in an impairment of EUR 1 million. Based on the annual figures for 2014, the divestment reduces Stora Enso's annual sales by EUR 117 million and simultaneously decreases Stora Enso's annual board production capacity by approximately 195 000 tonnes from the beginning of the fourth quarter of 2015 onwards. The Barcelona mill employs approximately 220 people and was part of the Consumer Board division.

Barcelona Mill is not presented as held for sale in the Group's 30 September 2015 statement of financial position due to immaterial impact on the Group's financial statements.

EUR million	30 Sep 2015
Non-current assets	6
Inventories	13
Receivables	25
Cash and cash equivalents	2
Total assets	**46**
Non-current liabilities	1
Current liabilities	34
Total liabilities	**35**
Net assets disposed of on 1 October 2015	**11**

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Q3/15	Q3/14	Q2/15	Q1–Q3/15	Q1–Q3/14	2014
Sales	**2 500**	**2 514**	**2 562**	**7 553**	**7 661**	**10 213**
Other operating income	30	36	32	90	121	168
Change in inventories of finished goods and WIP	-20	22	-24	11	39	3
Change in net value of biological assets	-19	-15	-20	-48	-35	-114
Materials and services	-1 457	-1 523	-1 511	-4 476	-4 711	-6 244
Freight and sales commissions	-247	-239	-250	-738	-707	-939
Personnel expenses	-317	-324	-352	-992	-1 052	-1 383
Other operating expenses	-110	-127	-128	-376	-474	-625
Share of results of equity accounted investments	5	1	41	39	71	87
Depreciation, amortisation and impairment charges	-128	-130	-136	-397	-418	-766
Operating Profit	**237**	**215**	**214**	**666**	**495**	**400**
Net financial items	-93	-71	-66	-212	-182	-280
Profit before Tax	**144**	**144**	**148**	**454**	**313**	**120**
Income tax	-20	-21	-25	-78	-89	-30
Net Profit for the Period	**124**	**123**	**123**	**376**	**224**	**90**
Attributable to:						
Owners of the Parent	124	124	130	383	224	99
Non-controlling interests	-	-1	-7	-7	-	-9
Net Profit for the Period	**124**	**123**	**123**	**376**	**224**	**90**
Earnings per Share						
Basic earnings per share, EUR	0.16	0.15	0.17	0.49	0.28	0.13
Diluted earnings per share, EUR	0.15	0.15	0.17	0.48	0.28	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q3/15	Q3/14	Q2/15	Q1–Q3/15	Q1–Q3/14	2014
Net profit for the period	124	123	123	376	224	90
Other Comprehensive Income (OCI)						
Items that will Not be Reclassified to Profit and Loss						
Actuarial gains and losses on defined benefit plans	2	-2	-	2	-3	-100
Income tax relating to items that will not be reclassified	-	3	-	-	3	17
	2	**1**	**-**	**2**	**-**	**-83**
Items that may be Reclassified Subsequently to Profit and Loss						
Share of OCI of EAIs that may be reclassified	-1	-4	5	3	-13	-17
Currency translation movements on equity net investments (CTA)	-171	85	-68	-48	96	63
Currency translation movements on non-controlling interests	-8	6	-7	3	7	14
Net investment hedges	1	-1	12	-24	14	8
Cash flow hedges	30	-36	63	42	-50	-74
Non-controlling interests' share of cash flow hedges	1	-	1	1	-	-1
Available-for-sale investments	-50	-28	-234	-261	-3	96
Income tax relating to items that may be reclassified	-7	6	-14	-4	3	8
	-205	**28**	**-242**	**-288**	**54**	**97**
Total Comprehensive Income	**-79**	**152**	**-119**	**90**	**278**	**104**
Attributable to:						
Owners of the Parent	-72	147	-106	93	271	100
Non-controlling interests	-7	5	-13	-3	7	4
Total Comprehensive Income	**-79**	**152**	**-119**	**90**	**278**	**104**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million		30 Sep 15	31 Dec 14	30 Sep 14
Assets				
Non-current Assets				
Goodwill	O	247	242	246
Other intangible assets	O	156	157	66
Property, plant and equipment	O	5 610	5 419	5 632
		6 013	**5 818**	**5 944**
Biological assets	O	644	643	696
Emission rights	O	30	27	31
Equity accounted investments	O	1 057	1 056	1 065
Available-for-sale: Interest-bearing	I	25	30	26
Available-for-sale: Operative	O	187	444	340
Non-current loan receivables	I	62	70	62
Deferred tax assets	T	244	259	208
Other non-current assets	O	67	85	89
		8 329	**8 432**	**8 461**
Current Assets				
Inventories	O	1 389	1 403	1 444
Tax receivables	T	8	8	9
Operative receivables	O	1 418	1 484	1 621
Interest-bearing receivables	I	58	74	66
Cash and cash equivalents	I	798	1 446	1 523
		3 671	**4 415**	**4 663**
Assets of disposal group classified as held for sale		-	-	111
Total Assets		**12 000**	**12 847**	**13 235**
Equity and Liabilities				
Owners of the Parent		4 923	5 070	5 241
Non-controlling Interests		174	167	171
Total Equity		**5 097**	**5 237**	**5 412**
Non-current Liabilities				
Post-employment benefit provisions	O	454	483	398
Other provisions	O	116	159	190
Deferred tax liabilities	T	272	264	310
Non-current debt	I	3 334	3 530	3 872
Other non-current operative liabilities	O	48	47	43
		4 224	**4 483**	**4 813**
Current Liabilities				
Current portion of non-current debt	I	206	611	584
Interest-bearing liabilities	I	650	751	675
Bank overdrafts	I	1	2	5
Other provisions	O	59	82	68
Other operative liabilities	O	1 717	1 631	1 594
Tax liabilities	T	46	50	56
		2 679	**3 127**	**2 982**
Liabilities directly associated with the assets classified as held for sale		-	-	28
Total Liabilities		**6 903**	**7 610**	**7 823**
Total Equity and Liabilities		**12 000**	**12 847**	**13 235**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1–Q3/15	Q1–Q3/14
Cash Flow from Operating Activities		
Operating profit	666	495
Hedging result from OCI	-7	-1
Adjustments for non-cash items	441	395
Change in net working capital	37	-193
Cash Flow Generated by Operations	**1 137**	**696**
Net financial items paid	-213	-148
Income taxes paid, net	-60	-22
Net Cash Provided by Operating Activities	**864**	**526**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries and business operations, net of acquired cash	-	-16
Acquisitions of equity accounted investments	-	-97
Proceeds from disposal of subsidiary shares and business operations, net of disposed cash	-10	-
Proceeds from disposal of shares in equity accounted investments	-	61
Proceeds from disposal of intangible assets and property, plant and equipment	6	8
Capital expenditure	-620	-523
Proceeds from non-current receivables, net	9	35
Net Cash Used in Investing Activities	**-615**	**-532**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	341	154
Repayment of long-term debt	-1 070	-552
Change in short-term borrowings	44	-43
Dividends paid	-237	-237
Sale of interest in subsidiaries to non-controlling interests	-	28
Equity injections from, less dividends to, non-controlling interests	10	69
Purchase of own shares*	-6	-4
Net Cash Used in Financing Activities	**-918**	**-585**
Net Decrease in Cash and Cash Equivalents	**-669**	**-591**
Net cash and cash equivalents of disposal group classified as held for sale	-	-10
Translation adjustment	22	58
Net cash and cash equivalents at the beginning of period	1 444	2 061
Net Cash and Cash Equivalents at Period End	**797**	**1 518**
Cash and Cash Equivalents at Period End	**798**	**1 523**
Bank Overdrafts at Period End	**-1**	**-5**
Net Cash and Cash Equivalents at Period End	**797**	**1 518**
Acquisitions		
Cash and cash equivalents, net of bank overdraft	-	1
Intangible assets and property, plant and equipment	-	19
Operating working capital	-	-2
Tax assets and liabilities	-	-6
Interest-bearing liabilities and receivables	-	-8
Fair Value of Net Assets Acquired	**-**	**4**
Goodwill (provisional for 2014)	-	28
Total Purchase Consideration	**-**	**32**
Cash and cash equivalents in acquired companies, net of bank overdraft	-	-1
Net Purchase Consideration	**-**	**31**
Cash part of consideration, net of acquired cash	-	16
Non-cash part of consideration	-	15
Net Purchase Consideration	**-**	**31**

Disposals		
Cash and cash equivalents	22	1
Other intangible assets and property, plant and equipment	8	-
Working capital	-19	-
Interest-bearing assets and liabilities	1	-
Net Assets in Divested Companies	**12**	**1**
Gain on sale	-	-
Total Disposal Consideration	**12**	**1**
Cash part of consideration	12	1
Non-cash part of consideration	-	-
Total Disposal Consideration	**12**	**1**

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

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

EUR million	Q1–Q3/15	Q1–Q3/14	2014
Carrying value at 1 January	6 461	6 442	6 442
Acquisition of subsidiary companies	-	47	48
Additions in tangible and intangible assets	581	455	713
Additions in biological assets	53	46	68
Harvesting in biological assets	-46	-26	-44
Disposals	-4	-5	-11
Disposals of subsidiary companies	-8	-	-41
Depreciation and impairment	-397	-418	-766
Assets of disposal group classified as held for sale	-	-41	-
Valuation of biological assets	-2	-9	-70
Translation difference and other	19	149	122
Statement of Financial Position Total	**6 657**	**6 640**	**6 461**

BORROWINGS

EUR million	30 Sep 15	31 Dec 14	30 Sep 14
Bond loans	1 873	2 582	2 884
Loans from credit institutions	1 542	1 414	1 418
Finance lease liabilities	65	69	73
Other non-current liabilities	60	76	81
Non-current Debt including Current Portion	**3 540**	**4 141**	**4 456**
Short-term borrowings	477	487	429
Interest payable	66	84	81
Derivative financial liabilities	107	180	165
Bank overdrafts	1	2	5
Total Interest-bearing Liabilities	**4 191**	**4 894**	**5 136**

EUR million	Q1–Q3/15	2014	Q1–Q3/14
Carrying value at 1 January	4 894	5 501	5 501
Proceeds of new long-term debt	341	166	154
Repayment of long-term debt	-1 070	-922	-552
Change in short-term borrowings and interest payable	-28	-32	-93
Change in derivative financial liabilities	-73	39	24
Translation differences and other	127	142	102
Total Interest-bearing Liabilities	**4 191**	**4 894**	**5 136**

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 Investments	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	-	-	-	-	-	-	-	-	-	224	224	-	224
OCI before tax	-	-	-	-	-	-3	-50	-13	110	-3	41	7	48
Income tax relating to components of OCI	-	-	-	-	-	-4	10	-	-3	3	6	-	6
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-7**	**-40**	**-13**	**107**	**224**	**271**	**7**	**278**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-4	-241
Acquisitions and disposals	-	-	-	-	-	-	-	15	-	-15	-	103	103
Loss on NCI buy-in	-	-	-	-	-	-	-	-	-	-5	-5	5	-
Purchase of treasury shares	-	-	-	-4	-	-	-	-	-	-	-4	-	-4
Share-based payments	-	-	-	4	-	-	-	-	-	-1	3	-	3
Balance at 30 Sep 2014	**1 342**	**77**	**633**	**-**	**4**	**255**	**-49**	**-20**	**-111**	**3 110**	**5 241**	**171**	**5 412**
Loss for the period	-	-	-	-	-	-	-	-	-	-125	-125	-9	-134
OCI before tax	-	-	-	-	-	99	-24	-4	-39	-97	-65	6	-59
Income tax relating to components of OCI	-	-	-	-	-	-	4	-	1	14	19	-	19
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**99**	**-20**	**-4**	**-38**	**-208**	**-171**	**-3**	**-174**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-2	-2
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	-2	-2
Loss on NCI buy-in	-	-	-	-	-	-	-	-	-	-3	-3	3	-
Share-based payments	-	-	-	-	-	-	-	-	-	3	3	-	3
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	-	-	-	-	-	-	-	-	-	383	383	-7	376
OCI before tax	-	-	-	-	-	-261	42	3	-72	2	-286	4	-282
Income tax relating to components of OCI	-	-	-	-	-	-	-9	-	5	-	-4	-	-4
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-261**	**33**	**3**	**-67**	**385**	**93**	**-3**	**90**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-1	-238
Acquisitions and disposals	-	-	-	-	-	-	-	-	-	-	-	11	11
Purchase of treasury shares	-	-	-	-6	-	-	-	-	-	-	-6	-	-6
Share-based payments	-	-	-	6	-	-	-	-	-	-3	3	-	3
Balance at 30 Sep 2015	**1 342**	**77**	**633**	**-**	**4**	**93**	**-36**	**-21**	**-216**	**3 047**	**4 923**	**174**	**5 097**

COMMITMENTS AND CONTINGENCIES

EUR million	30 Sep 15	31 Dec 14	30 Sep 14
On Own Behalf			
Mortgages	4	4	4
On Behalf of Equity Accounted Investments			
Guarantees	17	19	18
On Behalf of Others			
Guarantees	31	6	5
Other Commitments, Own			
Operating leases, in next 12 months	83	83	86
Operating leases, after next 12 months	831	823	824
Other commitments	12	5	6
Total	**978**	**940**	**943**
Mortgages	4	4	4
Guarantees	48	25	23
Operating leases	914	906	910
Other commitments	12	5	6
Total	**978**	**940**	**943**

Capital Commitments

The Group’s direct capital expenditure contracts, excluding acquisitions, amounted to EUR 239 million (compared with EUR 280 million at 30 September 2014 and EUR 301 million at 31 December 2014). These amounts include the Group’s share of direct capital expenditure contracts in joint operations.

SALES BY SEGMENT

EUR million	Q3/15	Q2/15	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	608	603	569	2 297	554	583	596	564
Packaging Solutions	226	226	221	1 065	263	276	259	267
Biomaterials	392	364	354	1 104	314	284	243	263
Wood Products	375	441	392	1 779	415	429	490	445
Paper	911	915	914	3 912	984	959	970	999
Other	563	629	647	2 567	645	579	654	689
Inter-segment sales	-575	-616	-606	-2 511	-623	-596	-633	-659
Total	**2 500**	**2 562**	**2 491**	**10 213**	**2 552**	**2 514**	**2 579**	**2 568**

OPERATIONAL EBIT BY SEGMENT

EUR million	Q3/15	Q2/15	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	80	78	79	292	44	95	91	62
Packaging Solutions	18	24	26	118	30	35	23	30
Biomaterials	100	59	73	89	34	24	10	21
Wood Products	22	23	15	89	10	22	37	20
Paper	6	12	18	172	68	33	36	35
Other	20	11	9	50	23	1	12	14
Operational EBIT	**246**	**207**	**220**	**810**	**209**	**210**	**209**	**182**
Fair valuations and non-operational items*	-25	15	-13	-131	-79	-23	-18	-11
Non-recurring Items	16	-8	8	-279	-225	28	-106	24
Operating Profit/Loss (IFRS)	**237**	**214**	**215**	**400**	**-95**	**215**	**85**	**195**
Net financial items	-93	-66	-53	-280	-98	-71	-46	-65
Profit/Loss before Tax	**144**	**148**	**162**	**120**	**-193**	**144**	**39**	**130**
Income tax expense	-20	-25	-33	-30	59	-21	-38	-30
Net Profit/Loss	**124**	**123**	**129**	**90**	**-134**	**123**	**1**	**100**

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

NRI BY SEGMENT

EUR million	Q3/15	Q2/15	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	-	-	2	-	-	-	-	-
Packaging Solutions	-	-8	-	8	8	-	-	-
Biomaterials	-	-	3	-	-	-	-	-
Wood Products	-	-	-	-11	2	-	-	-13
Paper	6	-	2	-329	-235	28	-115	-7
Other	10	-	1	53	-	-	9	44
NRI on Operating Profit	**16**	**-8**	**8**	**-279**	**-225**	**28**	**-106**	**24**
NRI on tax	-	-2	-	60	53	-	1	6
NRI on Net Profit	**16**	**-10**	**8**	**-219**	**-172**	**28**	**-105**	**30**
NRI on Net Profit attributable to								
Owners of the Parent	16	-6	8	-219	-172	28	-105	30
Non-controlling interests	-	-4	-	-	-	-	-	-
	16	**-10**	**8**	**-219**	**-172**	**28**	**-105**	**30**

FAIR VALUATIONS AND NON-OPERATIONAL ITEMS* BY SEGMENT

EUR million	Q3/15	Q2/15	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	2	2	2	-60	-58	-4	-	2
Packaging Solutions	-	-1	-1	-1	-	-	-	-1
Biomaterials	-2	-3	-5	-4	3	-2	-2	-3
Wood Products	-	-	-1	-1	-	-	-	-1
Paper	-1	-	-2	-1	-	-	1	-2
Other	-24	17	-6	-64	-24	-17	-17	-6
FV and Non-operational Items on Operating Profit	**-25**	**15**	**-13**	**-131**	**-79**	**-23**	**-18**	**-11**

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

OPERATING PROFIT/LOSS BY SEGMENT

EUR million	Q3/15	Q2/15	Q1/15	2014	Q4/14	Q3/14	Q2/14	Q1/14
Consumer Board	82	80	83	232	-14	91	91	64
Packaging Solutions	18	15	25	125	38	35	23	29
Biomaterials	98	56	71	85	37	22	8	18
Wood Products	22	23	14	77	12	22	37	6
Paper	11	12	18	-158	-167	61	-78	26
Other	6	28	4	39	-1	-16	4	52
Operating Profit/Loss (IFRS)	**237**	**214**	**215**	**400**	**-95**	**215**	**85**	**195**
Net financial items	-93	-66	-53	-280	-98	-71	-46	-65
Profit/Loss before Tax	**144**	**148**	**162**	**120**	**-193**	**144**	**39**	**130**
Income tax expense	-20	-25	-33	-30	59	-21	-38	-30
Net Profit/Loss	**124**	**123**	**129**	**90**	**-134**	**123**	**1**	**100**

KEY EXCHANGE RATES FOR THE EURO

One Euro is	Closing Rate		Average Rate	
	30 Sep 15	31 Dec 14	30 Sep 15	31 Dec 14
SEK	9.4083	9.3930	9.3719	9.0969
USD	1.1203	1.2141	1.1145	1.3288
GBP	0.7385	0.7789	0.7274	0.8064

TRANSACTION RISK AND HEDGES IN MAIN CURRENCIES AS AT 30 SEPTEMBER 2015

EUR million	USD	SEK	GBP
Estimated annual net operating cash flow exposure	1 070	-820	450
Transaction hedges as at 30 Sep 2015	-500	420	-210
Hedging percentage as at 30 Sep 2015 for the next 12 months	**47%**	**51%**	**47%**

Additionally there are USD hedges for 13–15 months with the nominal value of EUR 19 million.

CHANGES IN EXCHANGE RATES ON OPERATIONAL EBIT

Operational EBIT: Currency Strengthening of + 10%	EUR million
USD	107
SEK	-82
GBP	45

The sensitivity is based on the estimated net operating cash flow for the next 12 months. The calculation does not take into account currency hedges, and it assumes that no changes occur other than exchange rate movement in a currency. A currency 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 which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which 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: 30 SEPTEMBER 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	-	-	-	212	212	212
Non-current loan receivables	62	-	-	-	62	64
Trade and other operative receivables	1 109	-	-	-	1 109	1 109
Interest-bearing receivables	2	18	38	-	58	58
Cash and cash equivalents	798	-	-	-	798	798
Carrying Amount by Category	**1 971**	**18**	**38**	**212**	**2 239**	**2 241**

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	-	-	3 334	3 334	3 458
Current portion of non-current debt	-	8	198	206	206
Interest-bearing liabilities	42	65	543	650	650
Trade and other operative payables	24	-	1 407	1 431	1 431
Bank overdrafts	-	-	1	1	1
Carrying Amount by Category	**66**	**73**	**5 483**	**5 622**	**5 746**

EUR million	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	56	-	56
Available-for-sale investments	25	-	187	212
Derivative financial liabilities	-	115	-	115
Trade and other operative liabilities	-	4	20	24

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
Cash and cash equivalents	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: 30 SEPTEMBER 2015

EUR million	Q1–Q3/15	2014	Q1–Q3/14
Opening balance at 1 January	444	361	361
Gains/losses recognised in income statement	-2	-	-
Gains/losses recognised in OCI	-255	76	-20
Additions	-	8	-
Disposals	-	-1	-1
Closing Balance	**187**	**444**	**340**

OCI = Other Comprehensive Income

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 3.81% 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 +39 million and -39 million, respectively. A +/- 1% change in the discount rate would change the valuation by EUR -22 million and +51 million, respectively.

Stora Enso Shares

TRADING VOLUME

	Helsinki		Stockholm	
	A share	R share	A share	R share
July	128 458	77 859 372	185 270	11 176 625
August	68 372	58 161 826	99 731	7 387 153
September	88 936	72 451 561	86 352	12 269 277
Total	**285 766**	**208 472 759**	**371 353**	**30 833 055**

CLOSING PRICE

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
July	8.61	8.56	81.85	81.05
August	8.05	7.94	76.90	75.35
September	6.90	6.76	64.90	63.40

AVERAGE NUMBER OF SHARES

Million	Q3/15	Q3/14	Q2/15	Q1–Q3/15	Q1–Q3/14	2014
Periodic	788.6	788.6	788.6	788.6	788.6	788.6
Cumulative	788.6	788.6	788.6	788.6	788.6	788.6
Cumulative, diluted	789.8	789.5	789.8	789.8	789.1	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[2)]
Return on equity, ROE (%)	100 x	Net profit/loss for the period / Total equity[2)]
Net interest-bearing liabilities		Interest-bearing liabilities – interest-bearing assets
Debt/equity ratio		Net interest-bearing 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		Net interest-bearing liabilities / LTM operational EBITDA
Fixed costs		Maintenance, personnel and other administration type of costs, excluding NRI and fair valuations
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

For further information, please contact:
Seppo Parvi, CFO, tel.: +358 2046 21205
Ulla Paajanen-Sainio, SVP, Investor Relations, tel.: +358 40 763 8767
Ulrika Lilja, EVP, Global Communications, tel.: +46 72 221 9228

Stora Enso's fourth quarter and full year 2015 results will be published on 4 February 2016.

Stora Enso is a leading provider of renewable solutions in packaging, biomaterials, wood and paper on global markets. 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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