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STORA ENSO OYJ INTERIM REVIEW 23 April 2013 at 13.00 EET

Stora Enso Interim Review January–March 2013

First quarter performance as expected in structurally declining European paper market

Q1 2013 (compared with Q1 2012)

- ***Operational EBITDA EUR 240 (EUR 265) million.***
- ***Operational EBIT EUR 118 (EUR 150) million due to lower performance in Printing and Reading. Improvement in Biomaterials, Renewable Packaging and wood supply.***
- ***EPS excluding NRI EUR 0.07 (0.10) and EPS EUR -0.02 (0.09).***
- ***Cash flow from operations EUR 101 (EUR 223) million affected by working capital increase. Strong liquidity at EUR 1.7 (EUR 1.25) billion.***

Q1 2013 (compared with Q4 2012)

- ***Operational EBITDA EUR 240 (EUR 276) million.***
- ***Operational EBIT EUR 118 (EUR 158) million due to lower performance in Printing and Reading. Improvement in Renewable Packaging and wood supply.***
- ***Ratio of net debt to the last twelve months' operational EBITDA 2.7 (2.5).***

Actions and outlook

- ***Final approvals to build plantation-based integrated board and pulp mills at Beihai city in Guangxi, China still pending.***
- ***Ostrołęka containerboard machine PM 5 started up in January.***
- ***Montes del Plata Pulp Mill has initiated the commissioning of the main equipment and expects to begin the mill start-up process during Q3/2013.***
- ***Earlier announced restructuring plans progressing as planned in Printing and Reading. New plans announced to simplify and streamline Group and business structures aiming at reducing annual costs by EUR 200 million, including the earlier announced EUR 30 million in Building and Living.***
- ***Q2 2013 sales expected to be slightly higher and operational EBIT in line with or slightly higher than Q1 2013.***

Summary of First Quarter Results*

		Q1/13	Q4/12	Q1/12
Sales	EUR million	2 667	2 727	2 673
Operational EBITDA	EUR million	240	276	265
Operational EBIT**	**EUR million**	**118**	**158**	**150**
Operating profit (IFRS)	EUR million	20	254	127
Profit before tax excl. NRI	EUR million	55	83	101
Loss/profit before tax	EUR million	-36	204	90
Net profit excl. NRI	EUR million	56	89	80
Net loss/profit	EUR million	-16	266	74
EPS excl. NRI	EUR	0.07	0.11	0.10
EPS	EUR	-0.02	0.33	0.09
CEPS excl. NRI	EUR	0.25	0.30	0.28
Operational ROCE	%	5.4	7.3	6.9

** Data for the comparative periods have been restated following adoption of the amended IAS 19 Employee Benefits standard. Data for the comparative periods have been restated in all tables affected by IAS 19. For further details, please see Basis of Preparation on page 12.*

*** 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 include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets related to forest assets in EAI.*

Stora Enso Deliveries and Production

	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Paper and board deliveries (1 000 tonnes)	2 496	2 569	2 549	10 268	-2.1	-2.8
Paper and board production (1 000 tonnes)	2 519	2 561	2 576	10 357	-2.2	-1.6
Wood products deliveries (1 000 m^3)	1 147	1 175	1 154	4 750	-0.6	-2.4
Market pulp deliveries (1 000 tonnes)*	288	284	261	1 058	10.3	1.4
Corrugated packaging deliveries (million m^2)	260	279	261	1 097	-0.4	-6.8

** Stora Enso's net market pulp position is expected to be about 1.2 million tonnes for 2013.*

Key Figures

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	2 667	2 727	2 673	10 815	-0.2	-2.2
Operational EBITDA	240	276	265	1 094	-9.4	-13.0
Operational EBITDA margin, %	9.0	10.1	9.9	10.1	-9.1	-10.9
Operational EBIT	118	158	150	630	-21.3	-25.3
Operational EBIT margin, %	4.4	5.8	5.6	5.8	-21.4	-24.1
Operating profit (IFRS)	20	254	127	701	-84.3	-92.1
Operating margin (IFRS), %	0.7	9.3	4.8	6.5	-85.4	-92.5
Profit before tax excl. NRI	55	83	101	317	-45.5	-33.7
Loss/profit before tax	-36	204	90	481	-140.0	-117.6
Net profit for the period excl. NRI	56	89	80	263	-30.0	-37.1
Net loss/profit for the period	-16	266	74	490	-121.6	-106.0
Capital expenditure	61	209	62	556	-1.6	-70.8
Depreciation and impairment charges excl. NRI	146	150	143	583	2.1	-2.7
Operational ROCE, %	5.4	7.3	6.9	7.3	-21.7	-26.0
Earnings per share (EPS) excl. NRI, EUR	0.07	0.11	0.10	0.33	-30.0	-36.4
EPS (basic), EUR	-0.02	0.33	0.09	0.61	-122.2	-106.1
Cash earnings per share (CEPS) excl. NRI, EUR	0.25	0.30	0.28	1.07	-10.7	-16.7
CEPS, EUR	0.21	0.45	0.28	1.28	-25.0	-53.3
Return on equity (ROE), %	-1.1	18.2	5.0	8.3	-122.0	-106.0
Debt/equity ratio	0.50	0.48	0.46	0.48	8.7	4.2
Net debt/last twelve months' operational EBITDA	2.7	2.5	2.3	2.5	17.4	8.0
Equity per share, EUR	7.32	7.32	7.49	7.32	-2.3	-
Equity ratio, %	42.4	42.8	45.6	42.8	-7.0	-0.9
Average number of employees	28 220	28 331	29 041	28 777	-2.8	-0.4
Average number of shares (million)						
periodic	788.6	788.6	788.6	788.6		
cumulative	788.6	788.6	788.6	788.6		
cumulative, diluted	788.6	788.6	788.6	788.6		

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 include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets related to forest assets in 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 specified individually if they exceed one cent per share.

Reconciliation of Operational Profitability

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Operational EBITDA	**240**	**276**	**265**	**1 094**	**-9.4**	**-13.0**
Equity accounted investments (EAI), operational*	24	32	28	119	-14.3	-25.0
Depreciation and impairment excl. NRI	-146	-150	-143	-583	-2.1	2.7
Operational EBIT	**118**	**158**	**150**	**630**	**-21.3**	**-25.3**
Fair valuations and non-operational items**	-7	-14	2	-59	n/m	50.0
Non-recurring items	-91	110	-25	130	-264.0	-182.7
Operating Profit (IFRS)	**20**	**254**	**127**	**701**	**-84.3**	**-92.1**

** 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 related to forest assets in equity accounted investments (EAI) and Group's share of tax and net financial items of EAI.*

Q1/2013 Results (compared with Q1/2012)

Breakdown of Sales Change Q1/2012 to Q1/2013

	Sales
Q1/12, EUR million	**2 673**
Price and mix, %	-2
Currency, %	-
Volume, %	-
Other sales*, %	1
Total before structural changes, %	-1
Structural change**, %	1
Total, %	-
Q1/13, EUR million	**2 667**

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

Operational EBIT at EUR 118 million was EUR 32 million lower than a year ago. This represents an operational EBIT margin of 4.4% (5.6%).

Lower prices in local currencies, mainly in Printing and Reading, decreased operational EBIT by EUR 46 million. Higher Renewable Packaging deliveries compensated for lower Printing and Reading deliveries. Harvesting conditions in the first quarter of 2013 were favourable in the Nordic countries, so Wood Supply operations reported in the segment Other performed well. Paper and board production was curtailed by 8% (7%) and sawnwood production by 6% (10%).

Lower variable costs in local currencies increased operating profit by EUR 13 million as higher logistics costs were more than offset by lower other variable costs, mainly for fibre.

Fixed costs were similar to the first quarter of 2012.

The average number of employees in the first quarter of 2013 was 800 lower than a year earlier at 28 200 as the number of employees decreased in all geographical areas, except for an increase in Stora Enso's strategic investment in China.

The Group recorded non-recurring items (NRI) with a negative impact of approximately EUR 91 million on operating profit and a positive impact of approximately EUR 19 million on income tax in its first quarter 2013 results. The non-recurring items relate to restructuring plans in the Printing and Reading and Building and Living Business Areas.

Net financial expenses were EUR 19 million higher than a year ago, mainly due to foreign exchange losses and increased net interest expenses owing to higher gross debt.

Breakdown of Capital Employed Change Q1/2012 to Q1/2013

	Capital Employed
Q1/12, EUR million	**8 702**
Capital expenditure less depreciation	-41
Available-for-sale: operative (mainly PVO)	-165
Equity accounted investments	109
Net liabilities in defined benefit plans	-137
Operative working capital and other interest-free items, net	29
Net tax liabilities	138
Translation difference	142
Other changes	-42
Q1/13, EUR million	**8 735**

The operational return on capital employed was 5.4% (6.9%), excluding the ongoing strategic investments in Biomaterials and Renewable Packaging it would have been 6.2% (7.8%).

Q1/2013 Results (compared with Q4/2012)

Sales were similar to the previous quarter at EUR 2 667 million. Operational EBIT was EUR 40 million lower at EUR 118 million. Lower sales prices in local currencies decreased operational EBIT by EUR 13 million, mainly in Printing and Reading. Higher energy and logistic costs increased variable costs by EUR 31 million. Seasonally lower fixed costs and actions to improve fixed costs increased operational EBIT by EUR 24 million. The operational EBIT from the equity accounted investments decreased by EUR 11 million mainly due to lower capital gains in the Nordic forest equity accounted investments.

Net financial items were EUR 6 million more negative than in the previous quarter, mainly due to foreign exchange losses and increased net interest expenses owing to slightly higher net debt.

Capital Structure

EUR million	31 Mar 13	31 Dec 12	31 Mar 12
Operative fixed assets*	5 904	6 022	6 032
Equity accounted investments	2 058	1 965	1 926
Operative working capital, net	1 570	1 460	1 530
Non-current interest-free items, net	-601	-611	-472
Operating Capital Total	**8 931**	**8 836**	**9 016**
Net tax liabilities	-196	-217	-314
Capital Employed	**8 735**	**8 619**	**8 702**
Equity attributable to owners of the Parent	5 772	5 770	5 903
Non-controlling interests	89	92	87
Net interest-bearing liabilities	2 874	2 757	2 712
Financing Total	**8 735**	**8 619**	**8 702**

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

Financing Q1/2013 (compared with Q4/2012)

Total unutilised committed credit facilities were unchanged at EUR 700 million, and cash and cash equivalents net of overdrafts remained strong at EUR 1 742 million, which is EUR 103 million less than for the previous quarter. In addition, Stora Enso has access to various long-term sources of funding up to EUR 600 million.

The ratio of net debt to the last twelve months' operational EBITDA was 2.7 (2.5). The weak cash flow in the first quarter of 2013 resulted in a EUR 117 million increase in net interest-bearing liabilities.

Cash Flow

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Operational EBITDA	240	276	265	1 094	-9.4	-13.0
NRI on Operational EBITDA	-51	-13	-23	18	-121.7	-292.3
Dividends received from equity accounted investments	11	93	1	102	n/m	-88.2
Other adjustments	-14	-24	-8	-34	-75.0	41.7
Change in working capital	-85	141	-12	74	n/m	-160.3
Cash Flow from Operations	**101**	**473**	**223**	**1 254**	**-54.7**	**-78.6**
Cash spent on fixed and biological assets	-88	-184	-94	-561	6.4	52.2
Acquisitions of equity accounted investments	-10	-16	-18	-115	44.4	37.5
Cash Flow after Investing Activities	**3**	**273**	**111**	**578**	**-97.3**	**-98.9**

Q1 2013 cash flow
First quarter 2013 cash flow from operations was low at EUR 101 million, mainly because working capital increased during the quarter as receivables were EUR 100 million higher due to higher sales activity at the end of the first quarter of 2013 and inventories increased by EUR 80 million, mainly in Nordic wood inventories. The working capital increase was partly offset by a EUR 60 million increase in payables and EUR 30 million increase in restructuring provisions.

Capital Expenditure for January–March 2013
Additions to fixed and biological assets in the first quarter of 2013 totalled EUR 61 million, which is 42% of depreciation in the same period. The equity injection into Montes del Plata, a joint venture in Uruguay, was EUR 10 million in the first quarter of 2013.

Investments in fixed assets and biological assets had a cash outflow impact of EUR 88 million in the first quarter of 2013.

The main projects ongoing during the first quarter of 2013 were Montes del Plata and the Ostrołęka containerboard machine investment.

Capital Expenditure, Equity Injections and Depreciation Forecast 2013

EUR million	Forecast 2013
Capital expenditure*	350–400
Equity injections	110–130
Total	**460–530**
Depreciation	600–620

* Excluding the capital expenditure in 2013 for the board and pulp mills project in Guangxi, China.

Capital expenditure in 2013 for the board and pulp mills project in Guangxi, China will be confirmed when the project approvals have been given and the construction and production schedule has been updated.

Near-term Outlook
In the second quarter of 2013 Group sales are expected to be slightly higher and operational EBIT in line with or slightly higher than the first quarter of 2013.

Ostrołęka Mill PM 5 is not expected to have a material impact on sales in 2013 due to sales being mainly internal, but the EBITDA margin of PM 5 from the second half of 2013 is expected to be approximately 20%.

Montes del Plata Pulp Mill is expected to have limited impact on the Group’s sales and slightly negative impact on operational EBIT in 2013. In 2014 the Group’s sales are expected to be affected by 650 000 tonnes of Montes del Plata pulp with full positive EBITDA impact in the latter part of the year 2014 provided that the current market conditions prevail.

Segments Q1/13 compared with Q1/12

Printing and Reading

Printing and Reading is a world-class responsible supplier of paper from renewable sources for print media and office use. Its wide offering serves publishers, retailers, printing houses, merchants, converters and office suppliers, among others. Printing and Reading produces newsprint, book paper, SC paper, coated paper and office paper.

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	1 123	1 194	1 227	4 839	-8.5	-5.9
Operational EBITDA	72	129	135	493	-46.7	-44.2
Operational EBIT	2	59	68	223	-97.1	-96.6
% of sales	0.2	4.9	5.5	4.6	-96.4	-95.9
Operational ROOC, %*	0.3	7.9	9.0	7.4	-96.7	-96.2
Paper deliveries, 1 000 t	1 684	1 791	1 783	7 130	-5.6	-6.0
Paper production, 1 000 t	1 683	1 809	1 809	7 210	-7.0	-7.0

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

- Slightly lower sales prices in local currencies than a year ago were the main reason for low profitability. Lower fixed costs partially mitigated the impact.
- Volumes were lower, especially for coated paper and newsprint, as European paper demand remained subdued.
- The previously announced restructuring plans are proceeding according to plan, and it is planned to shut down Hylte Mill PM 2 and Kvarnsveden Mill PM 11 in Sweden permanently during the second quarter of 2013.

Markets

Product	Market	Demand Q1/13 compared with Q1/12	Demand Q1/13 compared with Q4/12	Price Q1/13 compared with Q1/12	Price Q1/13 compared with Q4/12
Paper	Europe	Weaker	Weaker	Slightly lower	Slightly lower

Biomaterials

Biomaterials offers a variety of pulp grades to meet the demands of paper, board and tissue producers. Pulp made from renewable resources in a sustainable manner is an excellent raw material with many different end uses. Biomaterials comprises mainly tree plantations, the Group's joint-venture Veracel and Montes del Plata pulp mills, and Nordic stand-alone pulp mills.

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	257	256	242	1 012	6.2	0.4
Operational EBITDA	28	33	15	99	86.7	-15.2
Operational EBIT	22	28	7	82	214.3	-21.4
% of sales	8.6	10.9	2.9	8.1	196.6	-21.1
Operational ROOC, %*	6.0	7.8	1.9	5.7	215.8	-23.1
Pulp deliveries, 1 000 t	475	471	459	1 836	3.5	0.8

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

- Market pulp prices were higher than a year ago, especially for hardwood pulp.
- The first quarter 2013 results included capital gains on land disposals of EUR 7 million at Montes del Plata and EUR 3 million in Thailand.
- Montes del Plata Pulp Mill has initiated the commissioning of the main equipment and expects to begin the mill start-up process during the third quarter of 2013.
- Skutskär Mill in Sweden will take its annual maintenance stoppage during the second quarter of 2013.

Markets

Product	Market	Demand Q1/13 compared with Q1/12	Demand Q1/13 compared with Q4/12	Price Q1/13 compared with Q1/12	Price Q1/13 compared with Q4/12
Softwood pulp	Europe	Stronger	Stable	Stable	Slightly higher

Building and Living

Building and Living provides wood-based innovations and solutions for everyday living and housing needs. The product range covers all areas of urban construction, from supporting structures to interior design and environmental construction. Further-processed products include massive wood elements and housing modules, wood components and pellets, in addition to a variety of sawn timber goods.

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	441	456	381	1 684	15.7	-3.3
Operational EBITDA	13	17	11	59	18.2	-23.5
Operational EBIT	4	7	10	29	-60.0	-42.9
% of sales	0.9	1.5	2.6	1.7	-65.4	-40.0
Operational ROOC, %*	2.8	4.8	7.0	5.2	-60.0	-41.7
Deliveries, 1 000 m^3	1 113	1 132	1 109	4 592	0.4	-1.7

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

- Sales prices in local currencies and sales volumes especially in the overseas markets were higher.
- The raw material situation remains challenging in Central Europe, where most of the production curtailments were taken.
- As stated a year ago, a one-time gain of EUR 8 million from consolidation of the equity accounted investment Mena Wood Oy (formerly RETS Timber Oy) was included in the first quarter 2012 results.
- The previously announced plans to reduce costs and increase productivity throughout the Business Area, with targeted annual cost savings of EUR 30 million, are proceeding as planned.

Markets

Product	Market	Demand Q1/13 compared with Q1/12	Demand Q1/13 compared with Q4/12	Price Q1/13 compared with Q1/12	Price Q1/13 compared with Q4/12
Wood products	Europe	Weaker	Stable	Stable	Slightly higher

Renewable Packaging

Renewable Packaging offers fibre-based packaging materials and innovative packaging solutions for consumer goods and industrial applications. Renewable Packaging operates throughout the value chain, from pulp production to production of materials and packaging, and recycling. The Business Area comprises three business units: Consumer Board, Packaging Solutions and Packaging Asia.

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	820	798	779	3 216	5.3	2.8
Operational EBITDA	119	106	113	476	5.3	12.3
Operational EBIT	68	55	62	273	9.7	23.6
% of sales	8.3	6.9	8.0	8.5	3.8	20.3
Operational ROOC, %*	11.4	9.3	11.4	12.1	-	22.6
Paper and board deliveries, 1 000 t	812	778	766	3 138	6.0	4.4
Paper and board production, 1 000 t	836	752	767	3 147	9.0	11.2
Corrugated packaging deliveries, million m^2	260	279	261	1 097	-0.4	-6.8
Corrugated packaging production, million m^2	258	275	257	1 076	0.4	-6.2

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

- Clearly higher volumes, mainly in Consumer Board, were partly offset by higher costs due to increased activity related to growth initiatives in Asia and ramp-up of the Ostrołęka new containerboard machine.
- Ostrołęka containerboard machine PM 5 started up in January.
- Establishment of the joint venture Bulleh Shah Packaging (Private) Limited with Packages Ltd. of Pakistan is expected to be completed during the second quarter of 2013.
- The final approvals to build integrated plantation-based board and pulp mills at Beihai city in Guangxi in China are still pending. The construction and production schedule will be updated when the final approvals are given and detailed plans are in place.

Markets

Product	Market	Demand Q1/13 compared with Q1/12	Demand Q1/13 compared with Q4/12	Price Q1/13 compared with Q1/12	Price Q1/13 compared with Q4/12
Consumer board	Europe	Stronger	Stronger	Slightly lower	Stable
Corrugated packaging	Europe	Stable	Slightly weaker	Stable	Slightly higher

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	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	721	673	703	2 684	2.6	7.1
Operational EBITDA	8	-9	-9	-33	188.9	188.9
Operational EBIT	22	9	3	23	n/m	144.4
% of sales	3.1	1.3	0.4	0.9	n/m	138.5

- Operational EBIT was clearly higher than a year ago in Nordic wood sourcing operations due to favourable harvesting conditions during the quarter.
- Costs were lower in Group functions and services.

Short-term Risks and Uncertainties
The main short-term risks and uncertainties continue to relate to the potential impact on the Group's products from the economic situation in Europe and the structural decline in paper demand.

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 20 million on operational EBIT for the next twelve 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 204 million on operational EBIT for the next twelve months.

Chemicals and fillers sensitivity: the direct effect of a 10% increase in chemical and filler prices would have a negative impact of approximately EUR 53 million on operational EBIT for the next twelve months.

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

Foreign exchange rates 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 111 million, negative EUR 91 million and positive EUR 54 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.

Veracel
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 equity accounted investment 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 BRL 20 million (EUR 7 million) fine. 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. Veracel has not recorded any provision for the reforestation or the possible fine.

On 30 September 2009 a judge in the State of Bahia issued an interim decision ordering the State Government of Bahia not to grant Veracel further plantation licences in the municipality of Eunápolis in response to claims by a state prosecutor that Veracel's plantations exceeded the legal limits, which Veracel disputes. Veracel's position is supported by documentation issued by the State environmental authority.

Class Action Lawsuits in USA
In the context of magazine paper sales in the USA in 2002 and 2003, Stora Enso Oyj (SEO) and Stora Enso North America (SENA) were sued in a number of class action (and other civil) lawsuits filed in the USA by various magazine paper purchasers that claimed damages for alleged antitrust violations. On 14 December 2010 a US federal district court granted a motion for summary judgement that Stora Enso had filed on behalf of both SEO and SENA seeking dismissal of the direct purchaser class action claims. Following appeal, a federal court of appeals on 6 August 2012 upheld the district court's ruling as to SEO, which means that the direct purchaser class action claims against SEO have been found to be without legal foundation, but reversed the district court's ruling as to SENA and referred that part of the case back to the district court for a jury trial to determine whether SENA's conduct did violate the federal antitrust laws. The appeal court's decision is procedural and does not constitute a legal finding that SENA has violated antitrust laws. The case against SENA will now proceed to trial in the district court. Furthermore, most of the indirect purchaser actions have been dismissed by a consent judgement, subject, however, to being reinstated if the plaintiffs in the direct cases are ultimately successful in obtaining a final judgement that SENA violated antitrust laws. Since Stora Enso disposed of SENA in 2007, Stora Enso's liability, if any, will be determined by the provisions in the SENA Sales and Purchasing Agreement. No provisions have been made in Stora Enso's accounts for these lawsuits.

Legal Proceedings in Finland

On 3 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.

On 31 March 2011 Metsähallitus of Finland initiated legal proceedings against Stora Enso, UPM and Metsäliitto 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, Finnish municipalities and private forest owners have initiated similar legal proceedings. The total amount claimed from all the defendants amounts to approximately EUR 75 million and the secondary claims and claims solely against Stora Enso to approximately EUR 25 million.

Stora Enso denies that Metsähallitus and other plaintiffs have suffered any damages whatsoever and will forcefully defend itself. No provisions have been made in Stora Enso's accounts for these lawsuits.

Share Capital

During the quarter 1 000 A shares were converted into R shares. The shares were recorded in the Finnish trade register on 15 February 2013.

On 31 March 2013 Stora Enso had 177 146 772 A shares and 612 391 727 R shares in issue of which the Company held no A shares and 918 512 R shares with an accountable par of EUR 1.6 million. The holding represents 0.12% of the Company's share capital and 0.04% of the voting rights.

Events after the Period

On 23 April 2013 Stora Enso announced that it plans to simplify and streamline Group and business structures with the aim of reducing annual costs by EUR 200 million including the earlier announced EUR 30 million in Building and Living.

This report is unaudited.

Helsinki, 23 April 2013
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 Annual Report for 2012.

The Group has for the first time applied the following amendment effective from 1 January 2013 that requires restatement of previous financial statements:

- IAS 19 Employee Benefits (amendment) eliminates the 'corridor method', streamlines the presentation of changes in assets and liabilities arising from defined benefit plans and enhances the disclosure requirements arising from the standard. The Group has not applied the 'corridor method'. The effects of this amendment on the Group financial statements are not material. The effects on Condensed Consolidated Income Statement are the following:

Effects of Changes to IAS 19 Employee Benefits EUR million	**As published 2012**	**Adjustment 2012**	**Restated 2012**
Operational EBIT	618	12	630
Operating Profit (IFRS)	689	12	701
Net financial items	-207	-13	-220
Profit before Tax	482	-1	481
Income Tax	9	-	9
Net Profit for the Period	491	-1	490
Attributable to:			
Owners of the Parent	481	-1	480
non-controlling interests	10	-	10
	491	**-1**	**490**
Total Equity	5 876	-14	5 862
Post-employment benefit provisions	462	18	480
Deferred tax liabilities	344	-4	340

The following standards have also been applicable for the first time effective from 1 January 2013:

- IAS 1 Presentation of Financial Statements (amendment) introduces changes to the presentation of items of other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.
- IFRS 7 Financial Instruments: Enhanced disclosure requirements related to offsetting of financial assets and financial liabilities. The amendment might have some effect on presentation in the financial statements but had no impact on the Group's financial position or performance.
- IFRS 13 Fair Value Measurement establishes the definition of fair value and introduces a single IFRS framework for measuring fair value while seeking to increase consistency and comparability by requiring disclosures about fair value measurements applied in the financial statements of an entity. The application of IFRS 13 has not materially affected the fair value measurements carried out by the Group. The new standard also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards. Some of these disclosures are specifically required for financial instruments, thereby affecting the interim financial statement. The additional disclosures are included in this Interim Review.
- IAS 12 Income Taxes (amendment) provides additional regulation on deferred tax in the case of recovery of underlying assets. The amendment is not relevant to the Group.
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine introduces accounting treatment

for stripping costs arising in the mining industry. The interpretation is not relevant to the Group.

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

Condensed Consolidated Income Statement

EUR million	Q1/13	Q4/12	Q1/12	2012	Change % Q1/13–Q1/12	Change % Q1/13–Q4/12
Sales	**2 667**	**2 727**	**2 673**	**10 815**	**-0.2**	**-2.2**
Other operating income	33	48	44	219	-25.0	-31.3
Materials and services	-1 724	-1 782	-1 730	-6 974	0.3	3.3
Freight and sales commissions	-258	-260	-242	-1 008	-6.6	0.8
Personnel expenses	-353	-311	-339	-1 349	-4.1	-13.5
Other operating expenses	-185	-162	-149	-578	-24.2	-14.2
Share of results of equity accounted investments	26	91	15	108	73.3	-71.4
Depreciation and impairment	-186	-97	-145	-532	-28.3	-91.8
Operating Profit	**20**	**254**	**127**	**701**	**-84.3**	**-92.1**
Net financial items	-56	-50	-37	-220	-51.4	-12.0
Loss/Profit before Tax	**-36**	**204**	**90**	**481**	**-140.0**	**-117.6**
Income tax	20	62	-16	9	225.0	-67.7
Net Loss/Profit for the Period	**-16**	**266**	**74**	**490**	**-121.6**	**-106.0**
Attributable to:						
Owners of the Parent	-17	262	73	480	-123.3	-106.5
Non-controlling interests	1	4	1	10	-	-75.0
	-16	**266**	**74**	**490**	**-121.6**	**-106.0**
Earnings per Share						
Basic earnings per share, EUR	-0.02	0.33	0.09	0.61	-122.2	-106.1
Diluted earnings per share, EUR	-0.02	0.33	0.09	0.61	-122.2	-106.1

Consolidated Statement of Comprehensive Income

EUR million	Q1/13	Q4/12	Q1/12	2012
Net loss/profit for the period	-16	266	74	490
Other Comprehensive Income				
Items that will not be Reclassified to Profit and Loss				
Actuarial losses on defined benefit plans	-	-168	-4	-184
Share of other comprehensive income of equity accounted investments that will not be reclassified	-1	-	-5	-5
Income tax relating to items that will not be reclassified	-	30	1	35
	-1	**-138**	**-8**	**-154**
Items that may be Reclassified Subsequently to Profit and Loss				
Share of other comprehensive income of equity accounted investments that may be reclassified	3	12	3	1
Currency translation movements on equity net investments (CTA)	77	-49	17	-29
Currency translation movements on non-controlling interests	3	-1	-1	-3
Net investment hedges	-13	8	-6	-17
Currency and commodity hedges	-11	-8	24	34
Available-for-sale financial assets	-41	-44	-69	-178
Income tax relating to items that may be reclassified	4	2	-4	-3
	22	**-80**	**-36**	**-195**
Total Comprehensive Income	**5**	**48**	**30**	**141**
Total Comprehensive Income Attributable to:				
Owners of the Parent	1	45	30	134
Non-controlling interests	4	3	-	7
	5	**48**	**30**	**141**

Condensed Consolidated Statement of Cash Flows

EUR million	Q1/13	Q1/12
Cash Flow from Operating Activities		
Operating profit	20	127
Hedging result from OCI	-11	21
Adjustments for non-cash items	166	108
Change in net working capital	-91	-8
Cash Flow Generated by Operations	**84**	**248**
Net financial items paid	-85	-69
Income taxes paid, net	-3	-55
Net Cash Used in/Provided by Operating Activities	**-4**	**124**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries, net of acquired cash	-	-3
Acquisitions of equity accounted investments	-10	-18
Proceeds from sale of fixed assets and shares, net of disposed cash	5	2
Capital expenditure	-88	-94
Payments/proceeds of non-current receivables, net	-	-2
Net Cash Used in Investing Activities	**-93**	**-115**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	-	658
Long-term debt, payments	-25	-397
Change in short-term borrowings	25	-153
Dividend to non-controlling interests	-7	-
Net Cash Used in/Provided by Financing Activities	**-7**	**108**
Net Decrease/Increase in Cash and Cash Equivalents	**-104**	**117**
Translation adjustment	1	-
Net cash and cash equivalents at the beginning of period	1 845	1 134
Net Cash and Cash Equivalents at Period End	**1 742**	**1 251**
Cash and Cash Equivalents at Period End	**1 743**	**1 251**
Bank Overdrafts at Period End	**-1**	**-**
Net Cash and Cash Equivalents at Period End	**1 742**	**1 251**
Acquisitions		
Cash and cash equivalents, net of bank overdraft	-	1
Fixed assets, working capital and net tax assets	-	-1
Total Purchase Consideration	**-**	**-**
Less cash and cash equivalents in acquired companies	-	-1
Net Purchase Consideration	**-**	**-1**
Cash part of the consideration, net of acquired cash	-	3
Payment concerning unfinished 2011 acquisition	-	-4
Net Purchase Consideration	**-**	**-1**

Property, Plant and Equipment, Intangible Assets, Goodwill and Biological Assets

EUR million	Q1/13	Q1/12	2012
Carrying value at 1 January	5 541	5 437	5 437
Acquisition of subsidiary companies	-	-	6
Additions in tangible and intangible assets	57	59	536
Additions in biological assets	4	3	20
Disposals	-2	-1	-2
Depreciation and impairment	-186	-145	-532
Translation difference and other	48	32	76
Statement of Financial Position Total	**5 462**	**5 385**	**5 541**

Borrowings

EUR million	31 Mar 13	31 Dec 12	31 Mar 12
Non-current borrowings	4 374	4 341	3 598
Current borrowings	775	793	863
	5 149	**5 134**	**4 461**

	Q1/13	2012	Q1/12
Carrying value at 1 January	5 134	4 373	4 373
Proceeds of borrowings (net)	-	712	79
Translation difference and other	15	49	9
Statement of Financial Position Total	**5 149**	**5 134**	**4 461**

Condensed Consolidated Statement of Financial Position

EUR million		31 Mar 13	31 Dec 12	31 Mar 12
Assets				
Non-current Assets				
PPE*, goodwill and other intangible assets	O	5 231	5 319	5 175
Biological assets	O	231	222	210
Emission rights	O	35	30	75
Equity accounted investments	O	2 058	1 965	1 926
Available-for-sale: Interest-bearing	I	100	96	84
Available-for-sale: Operative	O	407	451	572
Non-current loan receivables	I	137	134	127
Deferred tax assets	T	169	143	130
Other non-current assets	O	19	23	32
		8 387	**8 383**	**8 331**
Current Assets				
Inventories	O	1 555	1 458	1 541
Tax receivables	T	18	19	14
Operative receivables	O	1 819	1 687	1 709
Interest-bearing receivables	I	295	297	287
Cash and cash equivalents	I	1 743	1 850	1 251
		5 430	**5 311**	**4 802**
Total Assets		**13 817**	**13 694**	**13 133**
Equity and Liabilities				
Owners of the Parent		5 772	5 770	5 903
Non-controlling Interests		89	92	87
Total Equity		**5 861**	**5 862**	**5 990**
Non-current Liabilities				
Post-employment benefit provisions	O	470	480	337
Other provisions	O	142	142	141
Deferred tax liabilities	T	343	340	415
Non-current debt	I	4 374	4 341	3 598
Other non-current operative liabilities	O	8	12	26
		5 337	**5 315**	**4 517**
Current Liabilities				
Current portion of non-current debt	I	179	181	245
Interest-bearing liabilities	I	596	612	618
Operative liabilities	O	1 804	1 685	1 720
Tax liabilities	T	40	39	43
		2 619	**2 517**	**2 626**
Total Liabilities		**7 956**	**7 832**	**7 143**
Total Equity and Liabilities		**13 817**	**13 694**	**13 133**

** PPE = Property, Plant and Equipment*

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

Statement of Changes in Equity

EUR million	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Step Acquisition Revaluation Surplus	Available for Sale Financial Assets	Currency and Commodity Hedges	OCI of Equity Accounted Investments	CTA and Net Investment Hedges	Retained Earnings	Attrib-utable to Owners of the Parent	Non-controlling Interests	Total
Balance at 31 December 2011	**1 342**	**77**	**633**	**-10**	**4**	**541**	**-17**	**-29**	**32**	**3 300**	**5 873**	**87**	**5 960**
Profit for the period	-	-	-	-	-	-	-	-	-	73	73	1	74
OCI before tax	-	-	-	-	-	-69	24	-2	11	-4	-40	-1	-41
Income tax relating to components of OCI	-	-	-	-	-	-	-6	-	2	1	-3	-	-3
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-69**	**18**	**-2**	**13**	**70**	**30**	**-**	**30**
Balance at 31 Mar 2012	**1 342**	**77**	**633**	**-10**	**4**	**472**	**1**	**-31**	**45**	**3 370**	**5 903**	**87**	**5 990**
Profit for the period	-	-	-	-	-	-	-	-	-	407	407	9	416
OCI before tax	-	-	-	-	-	-109	10	-2	-57	-180	-338	-2	-340
Income tax relating to components of OCI	-	-	-	-	-	-1	-	-	2	34	35	-	35
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-110**	**10**	**-2**	**-55**	**261**	**104**	**7**	**111**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-2	-239
Balance at 31 Dec 2012	**1 342**	**77**	**633**	**-10**	**4**	**362**	**11**	**-33**	**-10**	**3 394**	**5 770**	**92**	**5 862**
Profit for the period	-	-	-	-	-	-	-	-	-	-17	-17	1	-16
OCI before tax	-	-	-	-	-	-41	-11	2	64	-	14	3	17
Income tax relating to components of OCI	-	-	-	-	-	-1	2	-	3	-	4	-	4
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-42**	**-9**	**2**	**67**	**-17**	**1**	**4**	**5**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-7	-7
Share-based payments	-	-	-	-	-	-	-	-	-	1	1	-	1
Balance at 31 Mar 2013	**1 342**	**77**	**633**	**-10**	**4**	**320**	**2**	**-31**	**57**	**3 378**	**5 772**	**89**	**5 861**

CTA = Cumulative Translation Adjustment
OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	31 Mar 13	31 Dec 12	31 Mar 12
On Own Behalf			
Pledges	-	1	1
Mortgages	6	6	10
On Behalf of Equity Accounted Investments			
Guarantees	560	653	461
On Behalf of Others			
Guarantees	5	5	5
Other Commitments, Own			
Operating leases, in next 12 months	98	92	65
Operating leases, after next 12 months	507	497	552
Other commitments	6	5	5
Total	**1 182**	**1 259**	**1 099**
Pledges	-	1	1
Mortgages	6	6	10
Guarantees	565	658	466
Operating leases	605	589	617
Other commitments	6	5	5
Total	**1 182**	**1 259**	**1 099**

Capital commitments

The Group’s direct capital expenditure contracts, excluding acquisitions, amounted to EUR 67 million (compared with EUR 199 million at 31 March 2012 and EUR 72 million at 31 December 2012).

The Group’s share of capital expenditure contracts in equity accounted investments, excluding acquisitions, amounted to EUR 177 million (compared with EUR 393 million at 31 March 2012 and EUR 213 million at 31 December 2012) of which Stora Enso has guaranteed EUR 95 million (compared with EUR 189 million at 31 March 2012 and EUR 189 million at 31 December 2012).

Sales by Segment

EUR million	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	1 123	4 839	1 194	1 227	1 191	1 227
Biomaterials	257	1 012	256	268	246	242
Building and Living	441	1 684	456	403	444	381
Renewable Packaging	820	3 216	798	812	827	779
Other	721	2 684	673	645	663	703
Inter-segment sales	-695	-2 620	-650	-661	-650	-659
Total	**2 667**	**10 815**	**2 727**	**2 694**	**2 721**	**2 673**

Operational EBIT by Segment

EUR million	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	2	223	59	53	43	68
Biomaterials	22	82	28	32	15	7
Building and Living	4	29	7	1	11	10
Renewable Packaging	68	273	55	83	73	62
Other	22	23	9	9	2	3
Operational EBIT	**118**	**630**	**158**	**178**	**144**	**150**
Fair valuations and non-operational items*	-7	-59	-14	-13	-34	2
Non-recurring Items	-91	130	110	-	45	-25
Operating Profit (IFRS)	**20**	**701**	**254**	**165**	**155**	**127**
Net financial items	-56	-220	-50	-63	-70	-37
Loss/Profit before Tax	**-36**	**481**	**204**	**102**	**85**	**90**
Income tax expense	20	9	62	-21	-16	-16
Net Loss/Profit	**-16**	**490**	**266**	**81**	**69**	**74**

**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 related to forest assets in EAI and Group's share of tax and net financial items of EAI.*

NRI by Segment

EUR million	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-84	70	67	-	13	-10
Biomaterials	-	-7	-7	-	-	-
Building and Living	-7	-	-	-	-	-
Renewable Packaging	-	-53	-38	-	-	-15
Other	-	120	88	-	32	-
NRI on Operating Profit	**-91**	**130**	**110**	**-**	**45**	**-25**
NRI on Financial items	-	34	11	-	9	14
NRI on tax	19	63	56	-	2	5
NRI on Net Profit	**-72**	**227**	**177**	**-**	**56**	**-6**
NRI on Net Profit attributable to						
Owners of the Parent	-72	221	175	-	52	-6
Non-controlling interests	-	6	2	-	4	-
	-72	**227**	**177**	**-**	**56**	**-6**

Fair Valuations and Non-operational Items* by Segment

EUR million	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-	-1	-	-	-	-1
Biomaterials	-3	-29	6	-7	-24	-4
Building and Living	-	-3	-1	-	-	-2
Renewable Packaging	-	-1	-	-	-	-1
Other	-4	-25	-19	-6	-10	10
Fair Valuations and Non-operational Items on Operating Profit	**-7**	**-59**	**-14**	**-13**	**-34**	**2**

**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 related to forest assets in EAI and Group's share of tax and net financial items of EAI.*

Operating Profit/Loss by Segment

EUR million	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-82	292	126	53	56	57
Biomaterials	19	46	27	25	-9	3
Building and Living	-3	26	6	1	11	8
Renewable Packaging	68	219	17	83	73	46
Other	18	118	78	3	24	13
Operating Profit (IFRS)	**20**	**701**	**254**	**165**	**155**	**127**
Net financial items	-56	-220	-50	-63	-70	-37
Loss/Profit before Tax	**-36**	**481**	**204**	**102**	**85**	**90**
Income tax expense	20	9	62	-21	-16	-16
Net Loss/Profit	**-16**	**490**	**266**	**81**	**69**	**74**

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	31 Mar 13	**31 Dec 12**	**31 Mar 13**	**31 Dec 12**
SEK	8.3553	8.5820	8.4923	8.7067
USD	1.2805	1.3194	1.3204	1.2856
GBP	0.8456	0.8161	0.8517	0.8111

Transaction Risk and Hedges in Main Currencies as at 31 March 2013

EUR million	USD	SEK	GBP
Estimated annual net operating cash flow exposure	1 110	-910	540
Transaction hedges as at 31 Mar 2013	-550	420	-280
Hedging percentage as at 31 Mar 2013 for the next 12 months	**50%**	**46%**	**52%**

Additional GBP hedges for 13–15 months increase the hedging percentages by 2%.

Changes in Exchange Rates on Operational EBIT

Operational EBIT: Currency strengthening of + 10%	EUR million
USD	111
SEK	-91
GBP	54

The sensitivity is based on estimated next 12 months net operating cash flow. The calculation does not take into account currency hedges, and assumes no changes occur other than a single currency exchange rate movement. 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 Financial Statements.

Carrying Amounts of Financial Assets and Liabilities by Measurement and Fair Value Categories: Q1 2013

EUR million	Loans and Receivables	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Available-for-Sale Financial Assets	Carrying Amounts by Balance Sheet Item	Fair Value
Financial Assets						
Available-for-sale	-	-	-	507	507	507
Non-current loan receivables	137	-	-	-	137	153
Trade and other operative receivables	1 476	-	-	-	1 476	1 476
Interest-bearing receivables	124	125	46	-	295	295
Current investments and cash	1 743	-	-	-	1 743	1 743
Carrying Amount by Category	**3 480**	**125**	**46**	**507**	**4 158**	**4 174**

EUR million	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Measured at Amortised Cost	Carrying Amounts by Balance Sheet Item	Fair Value
Financial Liabilities					
Non-current debt	-	3	4 371	4 374	4 641
Current portion of non-current debt	-	-	179	179	179
Interest-bearing liabilities	145	33	417	595	595
Trade and other operative payables	-	-	1 333	1 333	1 333
Bank overdrafts	-	-	1	1	1
Carrying Amount by Category	**145**	**36**	**6 301**	**6 482**	**6 749**

EUR million	Level 1	Level 2	Level 3	Total
Derivative Financial Assets	-	171	-	171
Available-for-sale Financial Assets	8	-	499	507
Derivative Financial Liabilities	-	181	-	181

Reconciliation of Level 3 Fair Value Measurement of Financial Assets: Q1 2013

EUR million	Unlisted Shares	Unlisted Interest-bearing Securities	Total
Opening balance at 1 January 2013	451	90	541
Losses recognised in other comprehensive income	-44	-	-44
Interest capitalised	-	2	2
Closing Balance at 31 March 2013	**407**	**92**	**499**

Unlisted shares

The unlisted shares comprise mainly 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 4.08% 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 85 million and a +/- 1% change in the discount rate would change the valuation by -/+ EUR 140 million.

Stora Enso Shares

Trading volume	Helsinki		Stockholm	
	A share	R share	A share	R share
January	165 688	62 625 368	273 860	27 181 361
February	62 182	88 492 344	234 915	40 217 214
March	31 456	68 121 895	76 728	27 513 224
Total	**259 326**	**219 239 607**	**585 503**	**94 911 799**

Closing Price	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
January	6.80	5.26	57.45	45.40
February	6.75	5.15	57.55	43.54
March	6.53	5.04	54.75	42.17

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)]
Equity ratio (%)	100 x	Total equity Total assets
Interest-bearing net liabilities		Interest-bearing liabilities – interest-bearing assets
Debt/equity ratio		Interest-bearing net liabilities Equity [3)]
		Fixed asset
CEPS		Net profit/loss for the period [3)] – depreciation and impairment Average number of shares
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 Operational EBITDA
Last twelve months (LTM)		Twelve months preceding the reporting date

[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:
Jouko Karvinen, CEO, tel. +358 2046 21410
Karl-Henrik Sundström, CFO, tel. +46 1046 71660
Ulla Paajanen-Sainio, SVP, Investor Relations, tel. +358 2046 21242
Sanna Lahti, SVP, Global Communications, tel. +358 2046 21251

Stora Enso's second quarter 2013 results will be published on 19 July 2013 at 13.00 EET.

PRESS CONFERENCE IN HELSINKI

Time:	13.15 local time today
Location:	Marina Congress Center, Helsinki
Address:	Katajanokanlaituri 6
Presentations:	Jouko Karvinen, CEO (Finnish) Karl-Henrik Sundström, CFO (English)

Questions can be addressed to Jouko Karvinen and Karl-Henrik Sundström after the presentation.

ANALYST CONFERENCE CALL
CEO Jouko Karvinen, CFO Karl-Henrik Sundström and SVP Investor Relations Ulla Paajanen-Sainio will be hosting a combined conference call and webcast today at 14.30 Finnish time (13.30 CET, 12.30 UK time, 07.30 US Eastern time).

If you wish to participate, please dial:

Continental Europe and the UK	+44(0)20 3450 9571
Finland	+358(0)9 2310 1618
Sweden	+46(0)8 5593 6763
USA	+1646 254 3368
Access code:	2276674

The live webcast may be accessed at www.storaenso.com/investors

Stora Enso is the global rethinker of the paper, biomaterials, wood products and packaging industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials. Stora Enso employs some 28 000 people worldwide, and our sales in 2012 amounted to EUR 10.8 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) in the International OTCQX over-the-counter market.

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties, which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group's targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group's patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group's products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group's principal geographic markets or fluctuations in exchange and interest rates.

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