

## Parent Company Financial Statements

### Parent Company Income Statement

EUR	Note	Year Ended 31 December	
		2014	2013
<b>Sales</b>	2	<b>3 255 581 754.63</b>	<b>3 249 864 965.31</b>
Changes in inventories of finished goods and work in progress + / -		3 856 457.34	-14 917 233.44
Production for own use		326 359.97	35 845.51
Other operating income	3	171 080 079.29	169 846 881.92
Materials and services	4	-2 163 090 036.79	-2 293 151 402.40
Personnel costs	5	-299 595 421.42	-306 751 440.76
Depreciation and impairment charges	6	-151 628 818.77	-347 627 183.20
Other operating expenses	7	-696 090 903.20	-658 107 618.75
		<u>-3 135 142 283.58</u>	<u>-3 450 672 151.12</u>
<b>Operating Profit (Loss)</b>		<b>120 439 471.05</b>	<b>-200 807 185.81</b>
Financial income and expenses	9	246 947 099.12	-122 697 998.86
<b>Profit (Loss) before Appropriations and Extraordinary Items</b>		<b>367 386 570.17</b>	<b>-323 505 184.67</b>
Extraordinary income	10	72 130 266.00	44 400 139.53
<b>Profit (Loss) before Appropriations and Taxes</b>		<b>439 516 836.17</b>	<b>-279 105 045.14</b>
Appropriations	11	127 555 881.75	317 833 063.60
Direct taxes	12	-458 109.88	-1 331 184.28
<b>Net Profit (Loss) for the Period</b>		<b>566 614 608.04</b>	<b>37 396 834.18</b>

## Statement of Parent Company Financial Position

EUR	Note	As at 31 December		
		2014	2013	
<b>Assets</b>				
<b>Non-Current Assets</b>				
Intangible assets	14	36 596 674.65	33 933 595.65	
Tangible assets	14	725 349 424.37	734 982 663.21	
Investments	16	8 809 511 181.34	9 577 021 307.59	
<b>Total Non-Current Assets</b>		<b>9 571 457 280.36</b>	<b>10 345 937 566.45</b>	
<b>Current Assets</b>				
Inventories	17	451 552 875.51	455 095 105.91	
Non-current receivables	18	209 246.55	208 054.27	
Current receivables	19	826 003 428.98	693 532 855.57	
Financial securities	20	1 297 341 107.61	1 840 827 744.97	
Cash in hand and at banks		196 479 842.37	299 742 809.02	
<b>Total Current Assets</b>		<b>2 771 586 501.02</b>	<b>3 289 406 569.74</b>	
<b>Total Assets</b>		<b>12 343 043 781.38</b>	<b>13 635 344 136.19</b>	
<b>Shareholders' Equity and Liabilities</b>				
<b>Shareholders' Equity</b>				
Share capital	21			
Share premium fund	22	1 342 215 448.30	1 342 215 448.30	
Invested non-restricted equity fund		3 638 800 031.65	3 638 800 031.65	
Retained earnings (loss)		633 102 719.13	633 102 719.13	
Profit (loss) for the period		459 573 344.70	658 781 511.12	
		566 614 608.04	37 396 834.18	
<b>Total Shareholders' Equity</b>		<b>6 640 306 151.82</b>	<b>6 310 296 544.38</b>	
<b>Appropriations</b>	23	<b>3 677 918.77</b>	<b>131 233 800.52</b>	
<b>Provisions</b>	24	<b>36 398 992.42</b>	<b>45 685 067.17</b>	
<b>Liabilities</b>				
Non-current liabilities	26	2 758 326 930.66	3 532 061 017.12	
Current liabilities	27	2 904 333 787.71	3 616 067 707.00	
<b>Total Liabilities</b>		<b>5 662 660 718.37</b>	<b>7 148 128 724.12</b>	
<b>Total Shareholders' Equity and Liabilities</b>		<b>12 343 043 781.38</b>	<b>13 635 344 136.19</b>	

## Parent Company Cash Flow Statement

EUR	Year Ended 31 December	
	2014	2013
<b>Cash Flow Generated by Operations</b>		
Profit/loss for the period	566 614 608.04	37 396 834.18
Adjustments and reversal of non-cash items:		
Direct taxes	458 109.88	1 331 184.28
Appropriations	-127 555 881.75	-317 833 063.60
Extraordinary items	-72 130 266.00	-44 400 139.53
Depreciation according to plan and impairment	151 628 818.77	347 627 183.20
Unrealised foreign exchange gains and losses	-40 482 435.49	-75 168 925.96
Other non-cash items	-5 281 024.51	6 758 796.67
Financial income and expenses	-246 947 099.12	122 697 998.86
Change in working capital:		
Current non-interest-bearing receivables		
increase (-) / decrease (+)	16 923 254.97	2 520 107.67
Inventories increase (-) / decrease (+)	3 542 230.40	25 601 686.45
Current non-interest-bearing liabilities		
increase (+) / decrease (-)	2 360 198.53	-49 703 090.07
Cash flow from operating activities before financial	249 130 513.72	56 828 572.15
Interest received from operating activities	131 003 787.84	87 797 663.77
Interest paid from operating activities	-211 065 642.25	-165 541 734.07
Dividends received from operating activities	382 865 430.90	102 800 963.34
Other financial items, net	-13 996 673.40	-3 447 883.68
Direct taxes paid	-458 109.88	-953 309.57
<b>Cash Flow Generated by Operations</b>	<b>537 479 306.93</b>	<b>77 484 271.94</b>
<b>Net Cash Provided by Investing Activities</b>		
Capital expenditure	-144 759 995.29	-93 075 824.91
Proceeds from disposal of tangible and intangible	953 311.57	3 896 511.54
Investments in other financial assets	-8 911 704.00	-8 911 617.92
Investment in subsidiary shares and other capital	-97 564 360.73	-20 869 234.85
Proceeds from disposal of subsidiary shares and other	192 752 882.35	400 000.00
Investment in shares in equity accounted investments	-35 169 818.60	-8 700.00
Proceeds from disposal of shares in equity accounted	62 255 002.62	0.00
Proceeds from disposal of other investments	31 645.00	1 196 917.77
Change in non-current loan receivables	465 506 584.87	-36 308 676.43
<b>Net Cash Provided by Investing Activities</b>	<b>435 093 547.79</b>	<b>-153 680 624.80</b>
<b>Net Cash Provided by Financing Activities</b>		
Change in non-current liabilities	-816 935 814.35	-376 342 244.29
Change in current borrowings	-625 382 210.53	-190 012 967.36
Dividends paid	-236 799 092.77	-236 575 326.96
Group contributions received	44 400 139.53	13 826 470.00
<b>Net Cash Provided by Financing Activities</b>	<b>-1 634 716 978.12</b>	<b>-789 104 068.61</b>
<b>Net Change in Cash and Cash Equivalents</b>		
Translation differences	-662 144 123.40	-865 300 421.47
Cash and cash equivalents at start of year	25 811 976.13	-12 227 116.93
<b>Cash and Cash Equivalents at Year End</b>	<b>2 129 940 674.06</b>	<b>3 007 468 212.46</b>
	<b>1 493 608 526.79</b>	<b>2 129 940 674.06</b>

## Notes to the Parent Company Financial Statements

### Note 1 Basis of Preparation

The Financial Statements of Stora Enso Oyj are prepared according to the provisions of the Finnish Accounting Act and other rules and regulations on Financial Statements that are valid in Finland.

#### **Transactions in foreign currencies**

Transactions in foreign currencies are recorded at current exchange rates of the transaction date.

Any receivables and liabilities

in foreign currencies that are included in the Statement of Financial Position at the reporting date are recorded at the exchange rate of the reporting date.

Exchange gains or losses are recorded in the Income Statement.

#### **Derivative financial instruments**

Stora Enso is exposed to several financial market risks that the Group is responsible for managing under policies approved by the Board of Directors. The objective is to have cost-effective funding in Group companies

and manage financial risks using financial instruments to decrease earnings volatility. The main exposures

for the Group are interest rate risk, currency risk, funding risk and commodity price risk, especially for fibre and energy. The Parent Company manages these risks centrally in the Group. Derivative financial instruments are recorded at their fair values. The fair values of various financial instruments are listed in Note 29.

Any interest income and expenses from interest risk management derivatives are allocated over the contract period to adjust the interest costs of hedged loans.

Derivatives used in hedging balance sheet items such as cash and cash equivalents, receivables and loans, are recorded at the exchange rate of the reporting date, and any income and expenses resulting from them are recorded in the Income Statement. Interest accrued from forward exchange contracts are allocated over the year. Option premiums are treated as advance payments until the options lapse.

Derivative financial instruments related to commodity prices used in hedging future cash flow are recorded once the contract expires or the hedged risk is realised.

#### **Pensions**

Statutory pension cover is provided by employment pension insurance companies that do not belong to the Group. Some personnel enjoy, in addition to statutory pension cover, a supplementary pension provided by life insurance companies that do not belong to the Group. Pension insurance payments have been allocated to correspond to the performance-based payments for the year.

#### **Tangible and intangible assets and amortization**

The balance sheet value of tangible and intangible assets consists of the direct acquisition cost minus depreciation according to plan and any impairment. Depreciation according to plan of tangible and intangible assets is based on the expected useful life of the commodities.

Depreciation is based on the following useful life years:

Buildings and structures	10–50 years
Production machinery and equipment	10–20 years
Light machinery and equipment	3–5 years
Intangible rights	3–20 years

Land and water areas are not depreciated.

#### **Inventories**

Inventories are valued at their acquisition cost or the net realisable value, whichever is lower.

Acquisition

cost is determined by the first-in first-out (FIFO) method or, alternatively, weighted average cost method.

The cost of finished goods and work in progress comprises raw material, direct labour, depreciation, other direct costs and related production overhead.

Net realizable value is the estimated selling price, less costs of completion and sale.

#### **Leasing**

Lease payments are recognized as other operating expenses. Remaining lease payments are listed in Note 28 Commitments and Contingencies.

#### **Research and development expenditure**

R&D expenditure is classified as expenses for the period.

#### **Extraordinary income and expenses**

Contributions between Group companies are recorded as extraordinary income or expenses.

#### **Income tax**

Direct taxes listed in the income statement include income tax paid on the basis of the taxable profit for the period as well as  
adjustments of the taxes paid in previous years. The parent company does not recognise deferred tax receivables and liabilities  
in its financial statement. Deferred tax receivables and liabilities that can be recognised in the Statement of Financial Position are  
listed in Note 25.

#### **Provisions**

Future expenses and losses which no longer have corresponding revenue, which the company is committed or  
obliged to pay and which have a monetary value that can be reasonably estimated, are recognised in the income statement under the item of expenditure that best corresponds to their nature and under Provisions in the Statement of Financial Position.

#### **Emission rights**

In 2014, the Company received for free a total of 1.1 million tonnes of emission rights as defined under the EU Emissions Trading Directive and recognised them in its accounting on a net cash cost basis, in other words, by taking into account in the Income Statement the difference between the emissions emitted and the emission rights received if the tonnes of emissions emitted exceeded the emission rights already received. During the financial period, the emissions emitted were 1.0 million tonnes. Therefore, the emissions emitted did not have an effect on the Income Statement or the Statement of Financial Position.

At the end of the financial period, the market value of the emission rights was EUR 7.24 per tonne.

EUR	Year Ended 31 December	
	2014	2013

### Note 2 Sales by Segment and Market

Distribution by segment		
Renewable Packaging	1 155 668 250.00	1 086 764 313.00
Biomaterials	192 418 297.00	182 369 955.00
Printing & Reading	1 388 076 408.00	1 454 511 708.00
Others	519 418 799.63	526 218 989.31
<b>Total</b>	<b>3 255 581 754.63</b>	<b>3 249 864 965.31</b>
Distribution by region		
Finland	778 796 841.00	862 807 691.00
Europe, excl. Finland	1 894 540 498.00	1 745 366 226.00
North and South America	158 640 203.00	184 219 492.00
Asia and Oceania	258 805 814.00	230 918 855.00
Africa	62 273 763.00	66 317 626.00
Others	102 524 635.63	160 235 075.31
<b>Total</b>	<b>3 255 581 754.63</b>	<b>3 249 864 965.31</b>

### Note 3 Other Operating Income

Rent and equivalents	5 996 217.66	5 975 783.29
Gains on sale of fixed assets	900 830.34	3 903 542.83
Insurance compensation	7 398 437.38	2 717 845.09
Production and maintenance services	11 199 296.95	11 305 526.75
Subsidies, grants and equivalents	2 660 617.48	4 045 205.54
Administration services	120 525 534.24	115 733 531.70
Proceeds from sales of emission rights	5 218 697.95	5 005 161.65
Other operating income	17 180 447.29	21 160 285.07
<b>Total</b>	<b>171 080 079.29</b>	<b>169 846 881.92</b>

### Note 4 Materials and Services

Materials and supplies		
Purchases during the period	1 639 948 612.60	1 733 913 139.16
Change in inventories + / -	5 255 709.10	-675 946.62
External services	517 885 715.09	559 914 209.86
<b>Total Materials and Services</b>	<b>2 163 090 036.79</b>	<b>2 293 151 402.40</b>

EUR	Year Ended 31 December	
	2014	2013
<b>Note 5 Personnel Costs and Average Number of Employees</b>		
Wages and salaries	238 650 956.80	241 627 625.69
Statutory employer costs		
Pensions	48 915 758.87	50 631 856.12
Other personnel costs	12 028 705.75	14 491 958.95
<b>Total</b>	<b>299 595 421.42</b>	<b>306 751 440.76</b>

Remuneration of members of the Board of Directors and the CEO

Remuneration of members of the Board of Directors and the CEO  
are explained in Note 7 of the Consolidated Financial Statements.

Pension liabilities for CEO

Pension liabilities for the CEO are explained in Note 7 of the Consolidated Financial Statements.

### **Receivables from Company's Management**

There were no loan receivables from the Company's

Average number of employees employed by the Company in the period		
Salaried employees	1 690	1 794
Wage earners	2 479	2 626
<b>Total</b>	<b>4 169</b>	<b>4 420</b>

### **Note 6 Depreciation and Impairment**

Depreciation according to plan	103 368 423.39	130 956 250.95
Impairment of non-current assets	48 260 395.38	216 670 932.25
<b>Total</b>	<b>151 628 818.77</b>	<b>347 627 183.20</b>

Depreciation and impairment on each item in the Statement of Financial Position is included under

### **Note 7 Other Operating Expenses**

Freight costs	309 292 978.28	318 507 724.69
Sales commissions	84 185 202.74	33 350 911.48
Rental costs	21 505 000.92	21 525 908.45
Administration and office services	227 735 405.09	228 455 880.96
Insurance premiums	5 660 695.63	7 253 534.43
Other personnel expenses	25 389 861.77	26 542 501.32
Corporate hospitality	635 475.41	590 440.90
Public and other relations	3 570 616.13	2 568 488.50
Other operating expenses	18 115 667.23	19 312 228.02
<b>Total</b>	<b>696 090 903.20</b>	<b>658 107 618.75</b>

EUR	Year Ended 31 December	
	2014	2013
<b>Note 8 Auditor's Fees</b>		
Audit fees	1 115 880.71	1 099 400.00
Other Audit-related fees	305 305.35	245 974.00
Taxation advice	62 667.97	96 433.64
Other fees	502 880.96	719 083.08
<b>Total</b>	<b>1 986 734.99</b>	<b>2 160 890.72</b>

<b>Note 9 Financial Income and Expenses</b>		
Dividend income		
From Group companies	373 455 278.99	74 685 172.96
From equity accounted investments	9 181 791.18	27 830 225.25
From others	228 360.73	285 565.13
<b>Total</b>	<b>382 865 430.90</b>	<b>102 800 963.34</b>
Interest income from non-current investments		
From Group companies	71 705 169.99	66 063 181.53
From others	5 272 997.89	11 529 954.53
<b>Total</b>	<b>76 978 167.88</b>	<b>77 593 136.06</b>
Other interest and financial income		
From Group companies	49 871 462.27	6 734 932.32
From equity accounted investments	30 144 698.20	0.00
From others	16 112 120.60	20 057 776.77
<b>Total</b>	<b>96 128 281.07</b>	<b>26 792 709.09</b>
<b>Total Financial Income</b>	<b>555 971 879.85</b>	<b>207 186 808.49</b>
Interest and other financial expenses		
To Group companies	-7 485 906.00	-9 861 038.28
Other financing costs	-235 846 216.61	-146 369 989.27
<b>Total</b>	<b>-243 332 122.61</b>	<b>-156 231 027.55</b>
Investment impairments		
Impairment of non-current investments and reversals of impairment	-65 692 658.12	-173 653 779.80
<b>Total Financial Expenses</b>	<b>-309 024 780.73</b>	<b>-329 884 807.35</b>
<b>Total Financial Income and Expenses</b>	<b>246 947 099.12</b>	<b>-122 697 998.86</b>
Other interest and financial income includes EUR 75.9 million gain from sale of shares and equity accounted investments for the financial period.		
The item "Interest and financial income" includes the foreign exchange gain/loss (net)	-15 813 047.72	42 057 562.26

EUR	Year Ended 31 December	
	2014	2013
<b>Note 10 Extraordinary Items</b>		
Extraordinary income		
Group contributions received	72 130 266.00	44 400 139.53
	72 130 266.00	44 400 139.53
<b>Total Extraordinary Items</b>	<b>72 130 266.00</b>	<b>44 400 139.53</b>

<b>Note 11 Appropriations</b>		
Difference between depreciation according to plan and depreciation recognised in taxation	127 555 881.75	317 833 063.60

<b>Note 12 Direct taxes</b>		
Income tax on operations for the period	-432 752.45	-1 338 702.40
Income tax for previous periods	-25 357.43	7 518.12
<b>Total Income Tax</b>	<b>-458 109.88</b>	<b>-1 331 184.28</b>

<b>Note 13 Environmental Costs</b>		
Materials and services	30 603 902.58	27 637 671.91
Personnel costs	2 388 200.54	2 547 399.20
Depreciation and impairment charges	10 914 565.06	14 592 146.06
<b>Total</b>	<b>43 906 668.18</b>	<b>44 777 217.17</b>
Air quality protection	12 092 394.09	11 575 774.68
Waste water treatment	23 928 450.91	27 269 124.32
Waste management	5 577 100.63	3 748 834.47
Soil and groundwater protection	266 942.97	151 963.27
Noise and vibration prevention	113 810.25	37 233.63
Biodiversity and landscape protection	353 194.25	345 239.91
Radiation protection	11 344.00	0.00
Research and development	118 097.45	120 292.94
Other environmental protection measures	1 445 333.63	1 528 753.95
<b>Total</b>	<b>43 906 668.18</b>	<b>44 777 217.17</b>

EUR

**Note 14 Intangible and Tangible assets**

**Intangible assets**

	Intangible Rights	Other non-current expenditure	Goodwill	Total	
Acquisition cost 1 Jan	168 411 652.33	35 798 116.46	108 979 814.19	<b>313 189 582.98</b>	
Additions	6 256 554.43	850 477.55	0.00	<b>7 107 031.98</b>	
Disposals	-7 527 106.28	-1 982 288.91	-1 083 267.49	<b>-10 592 662.68</b>	
Reclassification	2 841 163.98	0.00	0.00	<b>2 841 163.98</b>	
Acquisition cost 31 Dec	169 982 264.46	34 666 305.10	107 896 546.70	<b>312 545 116.26</b>	
Accumulated depreciation and impairment 1 Jan	-154 968 688.66	-15 307 484.48	-108 979 814.19	<b>-279 255 987.33</b>	
Accumulated depreciation on disposals, reclassifications and mergers	7 527 106.28	1 982 288.91	1 083 267.49	<b>10 592 662.68</b>	
Depreciation during the financial year	-4 578 971.41	-2 706 145.55	0.00	<b>-7 285 116.96</b>	
Impairments	0.00	0.00	0.00	<b>0.00</b>	
Accumulated depreciation 31 Dec	-152 020 553.79	-16 031 341.12	-107 896 546.70	<b>-275 948 441.61</b>	
	<b>17 961 710.67</b>	<b>18 634 963.98</b>	<b>0.00</b>	<b>36 596 674.65</b>	
Net Book Value 31 Dec 2014					
Net Book Value 31 Dec 2013	13 442 963.67	20 490 631.98	0.00	<b>33 933 595.65</b>	
<b>Tangible assets</b>					
	Land and Water	Buildings and Structures	Plant and Equipment	Other Tangible assets	
				Total	
Acquisition cost 1 Jan	29 062 774.00	665 193 014.12	3 127 305 208.79	194 112 938.27	<b>4 015 673 935.18</b>
Additions	0.00	3 645 556.48	45 661 469.05	1 698 432.05	<b>51 005 457.58</b>
Disposals	-82 331.83	-15 504 698.89	-49 211 114.31	-4 779 662.51	<b>-69 577 807.54</b>
Reclassification	0.00	501 713.90	13 220 570.34	303 168.13	<b>14 025 452.37</b>
Acquisition cost 31 Dec	28 980 442.17	653 835 585.61	3 136 976 133.87	191 334 875.94	<b>4 011 127 037.59</b>
Accumulated depreciation and impairment 1 Jan	0.00	-481 444 747.98	-2 662 756 990.36	-168 857 585.26	<b>-3 313 059 323.60</b>
Accumulated depreciation on disposals, reclassifications and mergers	0.00	15 504 698.86	49 212 113.28	4 778 663.54	<b>69 495 475.68</b>
Depreciation during the financial year	0.00	-13 068 328.76	-79 205 377.34	-3 809 600.33	<b>-96 083 306.43</b>
Impairments	0.00	-18 519 506.62	-29 216 264.88	-524 623.88	<b>-48 260 395.38</b>
Accumulated depreciation 31 Dec	0.00	-497 527 884.50	-2 721 966 519.30	-168 413 145.93	<b>-3 387 907 549.73</b>
Increase in value 1 Jan	4 082 970.85	0.00	0.00	0.00	<b>4 082 970.85</b>
Disposals	-19 004.50	0.00	0.00	0.00	<b>-19 004.50</b>
Increase in value 31 Dec	4 063 966.35	0.00	0.00	0.00	<b>4 063 966.35</b>
Net Book value 31 Dec 2014	<b>33 044 408.52</b>	<b>156 307 701.11</b>	<b>415 009 614.57</b>	<b>22 921 730.01</b>	<b>627 283 454.21</b>
Net Book value 31 Dec 2013	33 145 744.85	183 748 266.14	464 548 218.43	25 255 353.01	<b>706 697 582.43</b>
Production Plant and Equipment					
Net Book Value 31 Dec 2014			391 002 010.00		
Net Book Value 31 Dec 2013			435 904 708.74		
<b>Advance Payments and Acquisitions in Progress</b>					
	Intangible assets	Buildings and structures	Plant and equipment	Other tangible assets	Total
Acquisition cost 1 Jan	5 113 004.51	898 694.49	21 672 834.24	600 547.54	<b>28 285 080.78</b>
Additions	6 408 092.02	5 001 560.13	68 744 127.23	6 493 726.35	<b>86 647 505.73</b>
Reclassification	-2 554 882.05	-820 965.63	-12 890 221.13	-600 547.54	<b>-16 866 616.35</b>
Acquisition cost 31 Dec	8 966 214.48	5 079 288.99	77 526 740.34	6 493 726.35	<b>98 065 970.16</b>

EUR	As at 31 December	
	2014	2013
<b>Capitalised Environmental Expenditure</b>		
Acquisition cost 1 Jan	50 555 368.77	54 489 487.90
Additions 1 Jan – 31 Dec	12 482 131.82	10 658 026.93
Depreciation and Impairment 1 Jan – 31 Dec	-10 914 565.06	-14 592 146.06
<b>Acquisition cost 31 Dec</b>	<b>52 122 935.53</b>	<b>50 555 368.77</b>
Air quality protection	21 696 382.36	23 142 347.53
Waste water treatment	23 388 225.96	21 898 550.17
Waste management	3 433 300.96	2 691 961.52
Soil and groundwater protection	2 169 617.25	1 885 587.55
Noise and vibration prevention	1 435 409.00	936 922.00
<b>Total</b>	<b>52 122 935.53</b>	<b>50 555 368.77</b>
In 2014 and 2013, no environmentally based fines, charges or compensations were paid. and no subsidies or grants were received for environmental protection.		
<b>Note 15 Capitalised Interest</b>		
Buildings and structures		
Capitalised interest 1 Jan	439 967.00	460 633.00
Additions 1 Jan – 31 Dec	0.00	0.00
Depreciation and Impairment 1 Jan – 31 Dec	-20 672.00	-20 666.00
<b>Capitalised Interest 31 Dec</b>	<b>419 295.00</b>	<b>439 967.00</b>
Plant and equipment		
Capitalised interest 1 Jan	1 527 070,00	2 277 578,00
Additions 1 Jan – 31 Dec	0,00	0,00
Depreciation and Impairment 1 Jan – 31 Dec	-571 566,00	-750 508,00
<b>Capitalised Interest 31 Dec</b>	<b>955 504,00</b>	<b>1 527 070,00</b>
Other tangible assets		
Capitalised interest 1 Jan	231 308.00	258 307.00
Additions 1 Jan – 31 Dec	0.00	2 286.00
Depreciation and Impairment 1 Jan – 31 Dec	-29 282.00	-29 285.00
<b>Capitalised Interest 31 Dec</b>	<b>202 026.00</b>	<b>231 308.00</b>
Plant and equipment (work in progress)		
Capitalised interest 1 Jan	0.00	0.00
Additions 1 Jan – 31 Dec	185 261.06	0.00
Depreciation and Impairment 1 Jan – 31 Dec	0.00	0.00
<b>Capitalised Interest 31 Dec</b>	<b>185 261.06</b>	<b>0.00</b>
Total		
Capitalised interest 1 Jan	2 198 345.00	2 996 518.00
Additions 1 Jan – 31 Dec	185 261.06	2 286.00
Depreciation and Impairment 1 Jan – 31 Dec	-621 520.00	-800 459.00
<b>Capitalised Interest 31 Dec</b>	<b>1 762 086.06</b>	<b>2 198 345.00</b>

EUR	As at 31 December	
	2014	2013
<b>Note 16 Non-Current Investments in Shares and Loan Receivables</b>		
Group companies		
Shares	6 751 730 982.93	6 870 708 554.44
Loan receivables	1 749 824 264.92	2 411 779 528.90
Total	8 501 555 247.85	9 282 488 083.34
Equity accounted investments		
Shares	73 058 508.83	70 290 114.64
Loan receivables	4 908 550.00	4 908 550.00
Total	77 967 058.83	75 198 664.64
Other		
Shares, book value	168 527 049.78	159 924 558.07
Other receivables	61 461 824.88	59 410 001.54
Total	229 988 874.66	219 334 559.61
<b>Total Investments</b>	<b>8 809 511 181.34</b>	<b>9 577 021 307.59</b>

## Current Assets

### Note 17 Inventories

Materials and supplies	181 858 092.41	187 113 801.51
Work in progress	20 985 213.04	20 177 367.53
Finished goods	218 037 306.96	214 988 695.13
Other inventories	30 672 263.10	32 815 241.74
<b>Total</b>	<b>451 552 875.51</b>	<b>455 095 105.91</b>

## Receivables

### Note 18 Non-Current Receivables

Other receivables	209 246.55	208 054.27
<b>Total Non-Current Receivables</b>	<b>209 246.55</b>	<b>208 054.27</b>

EUR	As at 31 December	
	2014	2013

#### Note 19 Current Receivables

##### Current Interest-Bearing Receivables

Receivables from Group companies		
Loan receivables	244 944 892.11	50 208 506.69
Interest receivables	32 776 658.08	90 729 399.10
Total	277 721 550.19	140 937 905.79

Receivables from equity accounted investments		
Interest receivables	1 035 860.26	2 021 155.48
Total	1 035 860.26	2 021 155.48

Receivables from others		
Loan receivables	1 600 000.00	3 116 666.67
Interest receivables	26 280 491.02	45 767 331.19
Total	27 880 491.02	48 883 997.86

<b>Total Current Interest-Bearing Receivables</b>	<b>306 637 901.47</b>	<b>191 843 059.13</b>
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##### Current Non-Interest-Bearing Receivables

Receivables from Group companies		
Trade receivables	63 538 806.52	59 286 576.96
Other receivables	72 220 266.00	52 688 050.54
Accrued income	2 103 233.08	956 984.44
Total	137 862 305.60	112 931 611.94

Receivables from equity accounted investments		
Trade receivables	178 994.40	347 985.47
Other receivables	51 870.70	59 947.90
Total	230 865.10	407 933.37

Receivables from others		
Trade receivables	315 720 627.38	327 414 874.74
Other receivables	28 067 287.61	25 824 466.05
Accrued income	37 484 441.82	35 110 910.34
Total	381 272 356.81	388 350 251.13

From time to time, the company may enter into financing agreements for trade receivables to accelerate the transfer of trade receivables into cash. Nominally, such agreements led to the nominal derecognition of EUR 46.2 million by the end of the financial period.

<b>Total Current Non-Interest-Bearing Receivables</b>	<b>519 365 527.51</b>	<b>501 689 796.44</b>
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<b>Total Current Receivables</b>	<b>826 003 428.98</b>	<b>693 532 855.57</b>
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##### Significant Accruals

Commodity derivative contract accruals from Group and	2 037 752.89	956 984.44
Commodity derivative contract accruals	314 584.32	205 853.19
Tax equivalent receivables	25 141 805.65	24 204 384.09
Advances paid	3 060 789.73	2 920 966.38
Other accruals	9 032 742.31	7 779 706.68
<b>Total</b>	<b>39 587 674.90</b>	<b>36 067 894.78</b>

#### Note 20 Financial Securities

From Group companies	640 733 019.64	331 660 514.97
From equity accounted investments	0.00	8 713 879.56
From others	656 608 087.97	1 500 453 350.44
<b>Total</b>	<b>1 297 341 107.61</b>	<b>1 840 827 744.97</b>

EUR	As at 31 December	
	2014	2013
<b>Note 21 Shareholders' Equity</b>		
<b>Restricted Shareholders' Equity</b>		
Share capital 1 Jan	1 342 215 448.30	1 342 215 448.30
Share capital 31 Dec	1 342 215 448.30	1 342 215 448.30
Share premium fund 1 Jan	3 638 800 031.65	3 638 800 031.65
Share premium fund 31 Dec	3 638 800 031.65	3 638 800 031.65
<b>Total Restricted Shareholders' Equity</b>	<b>4 981 015 479.95</b>	<b>4 981 015 479.95</b>
<b>Non-Restricted Shareholders' Equity</b>		
Invested non-restricted equity fund 1 Jan	633 102 719.13	633 102 719.13
Invested non-restricted equity fund 31 Dec	633 102 719.13	633 102 719.13
Retained earnings 1 Jan	696 178 345.30	895 393 259.96
Dividend distribution	-236 585 996.10	-236 585 996.10
Reversal of increase in value of land	-19 004.50	-25 752.74
Retained earnings 31 Dec	459 573 344.70	658 781 511.12
Profit/loss for the period	566 614 608.04	37 396 834.18
<b>Total Non-Restricted Shareholders' Equity</b>	<b>1 659 290 671.87</b>	<b>1 329 281 064.43</b>
<b>Total Shareholders' Equity</b>	<b>6 640 306 151.82</b>	<b>6 310 296 544.38</b>

**Calculation of Distributable Shareholders' Equity at 31 December**

Invested non-restricted equity fund 31 Dec	633 102 719.13	633 102 719.13
Retained earnings 31 Dec	459 573 344.70	658 781 511.12
Profit/loss for the period	566 614 608.04	37 396 834.18
<b>Total</b>	<b>1 659 290 671.87</b>	<b>1 329 281 064.43</b>

**EUR**

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**Note 22 Share Capital Distribution between A Shares and R Shares**

	A shares	R shares	<b>Total</b>
31 December 2012	177 147 772	612 390 727	<b>789 538 499</b>
Conversions of A shares to R shares Dec 2012–Nov 2013	-51 568	51 568	<b>0</b>
Cancellation of own shares	0	-918 512	<b>-918 512</b>
31 December 2013	177 096 204	611 523 783	<b>788 619 987</b>
Conversions of A shares to R shares Dec 2013–Nov 2014	-40 000	40 000	<b>0</b>
Cancellation of own shares			<b>0</b>
31 December 2014	177 056 204	611 563 783	<b>788 619 987</b>

Counter value (nominal value) EUR 1.70 per share

	A shares	R shares	<b>Total</b>
Share capital 31 Dec 2013	301 414 198	1 040 801 250	<b>1 342 215 448</b>
Share capital 31 Dec 2012	301 346 119	1 040 869 330	<b>1 342 215 448</b>

EUR	As at 31 December	
	2014	2013

#### **Note 23 Accumulated Appropriations**

Depreciation difference		
Intangible rights	-4 039 540.34	-4 464 021.48
Other non-current expenditure	1 666 145.98	1 793 054.98
Buildings and structures	1 381 549.74	20 579 997.77
Plant and equipment	-1 741 261.24	106 225 596.62
Other tangible assets	6 411 024.63	7 099 172.63
<b>Total</b>	<b>3 677 918.77</b>	<b>131 233 800.52</b>

#### **Note 24 Statutory Provisions**

Restructuring provisions	16 627 745.62	24 873 859.63
Environmental provisions	18 263 453.71	13 188 735.36
Pension provisions	1 141 497.09	1 856 176.18
Other provisions	366 296.00	5 766 296.00
<b>Total</b>	<b>36 398 992.42</b>	<b>45 685 067.17</b>

#### **Note 25 Deferred Tax Liabilities and Receivables**

Deferred tax liability due to depreciation difference	-12 719 761.00	12 792 045.00
Deferred tax receivable due to loss	-164 638 475.00	-201 363 016.00
Deferred tax receivable due to provisions	-6 809 907.00	-7 905 492.00
<b>Total Deferred Tax Receivables</b>	<b>-184 168 143.00</b>	<b>-196 476 463.00</b>

Deferred tax receivables and liabilities have not been recognised in the Statement of Financial Position.

EUR	As at 31 December	
	2014	2013

**Non-current liabilities**

**Note 26 Non-Current Liabilities**

Bonds	2 175 205 012.27	2 873 680 315.74
Loans from credit institutions	548 481 822.96	588 819 134.76
Pension loans	9 375 000.00	15 317 274.44
Other non-current liabilities	25 265 095.43	54 244 292.18
<b>Total</b>	<b>2 758 326 930.66</b>	<b>3 532 061 017.12</b>

**Liabilities with Maturities Later Than Five Years**

Bonds	250 361 602.53	753 387 233.72
Loans from credit institutions	296 562 500.00	300 312 500.00
Pension loans	0.00	2 273 529.82
Other non-current liabilities	1 530 525.68	100 913.00
<b>Total</b>	<b>548 454 628.21</b>	<b>1 056 074 176.54</b>

EUR million	As at 31 December				
	2014		2013		
<b>Bonds</b>					
	Interest Rate	Currency	Original Loan Capital	Book Value	Book Value
<b>Fixed rate</b>					
1993-2019	8.600	USD	50.0	43.5	38.7
2004-2014	5.125	EUR	750.0	0.0	262.8
2006-2015	3.500	SEK	500.0	53.7	57.5
2006-2016	6.404	USD	507.9	336.0	363.8
2006-2036	7.250	USD	300.0	244.7	215.4
2010-2015	5.750	SEK	2 400.0	198.8	271.9
2012-2017	5.750	SEK	500.0	53.1	56.2
2012-2018	5.000	EUR	500.0	498.7	498.3
2012-2019	5.500	EUR	500.0	499.5	499.3
<b>Total</b>				<b>1 928.0</b>	<b>2 263.9</b>
Loans matured and extinguished in 2014				404.0	
<b>Floating Rate</b>					
2006-2018	Euribor + 0,96	EUR	25.0	25.0	25.0
2006-2018	Euribor + 0,72	EUR	50.0	50.0	49.9
2009-2016	Euribor + 4,21	EUR	390.0	190.0	390.0
2010-2013	Euribor + 2,76	EUR	25.0	0.0	25.0
2010-2015	Stibor + 3.70	SEK	1 400.0	149.3	158.7
2012-2017	Stibor + 3.90	SEK	2 200.0	234.6	249.0
<b>Total</b>				<b>648.9</b>	<b>897.6</b>
Loans matured and extinguished in 2014				225.0	
<b>Total Bonds</b>				<b>2 576.9</b>	<b>3 161.5</b>

EUR	As at 31 December	
	2014	2013

#### Note 27 Current Liabilities

##### Current Interest-Bearing Liabilities

Liabilities to Group companies		
Other loans	1 599 561 683.55	2 420 613 118.89
Interest due	337 084.06	2 642 980.15
Total	1 599 898 767.61	2 423 256 099.04
Liabilities to others		
Other loans	249 943 214.94	275 796 853.06
Interest due	140 767 483.68	173 612 685.11
Bonds	401 677 422.90	287 803 091.53
Loans from credit institutions	46 250 000.00	3 750 000.00
Pension loans	3 750 000.00	3 915 009.90
Total	842 388 121.52	744 877 639.60
<b>Total Current Interest-Bearing Liabilities</b>	<b>2 442 286 889.13</b>	<b>3 168 133 738.64</b>

##### Current Non-Interest-Bearing Liabilities

Liabilities to Group companies		
Advances received	6 272.39	6 272.39
Trade payables	90 642 675.41	70 254 115.54
Other loans	1 276 359.35	5 788 777.91
Accrued liabilities and deferred income	1 306 415.75	381 812.36
Total	93 231 722.90	76 430 978.20
Liabilities to equity accounted investments		
Trade payables	3 773 888.13	4 049 123.94
Other loans	714 429.23	862 964.76
Total	4 488 317.36	4 912 088.70
Liabilities to others		
Advances received	4 301 801.08	8 583 712.34
Trade payables	224 711 098.69	214 393 966.21
Other loans	26 326 562.82	26 012 732.28
Accrued liabilities and deferred income	108 987 395.73	117 600 490.63
Total	364 326 858.32	366 590 901.46
<b>Total Current Non-Interest-Bearing Liabilities</b>	<b>462 046 898.58</b>	<b>447 933 968.36</b>
<b>Total Current Liabilities</b>	<b>2 904 333 787.71</b>	<b>3 616 067 707.00</b>
<b>Significant Accrued Liabilities and Deferred</b>		
Payroll payments accrued	59 357 526.70	61 450 061.28
Annual discounts	36 699 521.34	40 686 235.04
Other accrued liabilities and deferred income	14 236 763.44	15 846 006.67
<b>Total</b>	<b>110 293 811.48</b>	<b>117 982 302.99</b>

EUR	As at 31 December	
	2014	2013
<b>Note 28 Commitments and Contingencies</b>		
On own behalf. for own debt		
Mortgages	168 187.00	12 075 166.00
For Group debt		
Guarantees	882 557 329.00	375 560 007.00
For debts of joint ventures		
Guarantees	559 060 473.00	522 878 692.00
For EIA debt		
Guarantees	18 429 930.00	554 215 819.00
Other commitments. own		
Leasing commitments to be paid in the next 12 months	28 799 223.47	29 460 664.93
Leasing commitments, after next 12 months	169 038 598.14	195 542 187.07
Mortgages	3 363 600.00	3 363 600.00
Other commitments	486 524.00	151 317.00
<b>Total</b>	<b>1 661 903 864.61</b>	<b>1 693 247 453.00</b>
Mortgages	3 531 787.00	15 438 766.00
Guarantees	1 460 047 732.00	1 452 654 518.00
Leasing commitments	197 837 821.61	225 002 852.00
Other commitments	486 524.00	151 317.00
<b>Total</b>	<b>1 661 903 864.61</b>	<b>1 693 247 453.00</b>

<b>EUR million</b>	<b>As at 31 December</b>	
	<b>2014</b>	<b>2013</b>

#### **Note 29 Fair Values of Financial Instruments**

Note 27 Derivatives summarises the methods through which fair values have been defined.

#### **Open Agreements for Risk Management Purposes EUR million**

##### **Interest Rate Swaps**

Fair value	-5.4	28.0
Underlying asset value	809.5	2 310.3

##### **Interest Rate Options**

Fair value	-26.9	-33.5
Underlying asset value	388.3	403.8

##### **Forward Contracts**

Fair value	18.1	55.3
Underlying asset value	3 138.8	4 117.4

##### **Currency Options**

Fair value	-12.5	2.8
Underlying asset value	4 147.1	4 260.0

##### **Energy and Paper Derivatives**

Fair value	-13.7	-2.1
Underlying asset value	551.6	373.0

##### **Total Return Swaps**

Fair value	1.0	2.0
Underlying asset value	25.0	27.1

## **Note 30 Environmental liabilities 31 December 2014**

### **1. Pateniemi Sawmill Site**

Stora Enso Oyj owns land in Oulu where Pateniemi Sawmill operated from the late 1800s until 1990. Following the operations, the soil of the woodhandling and warehouse areas is contaminated. Stora Enso Oyj is responsible for decontaminating and restoring the area. The assessment of the environmental effects was completed in 2005 and identification of the environmental risks was completed in February 2009. Closure of the tip and decontamination of the most polluted area began in December 2010. Decontamination of the soil required by the environmental permit has been undertaken through methods approved by the environmental authorities. Extension of the deadline for closure of the tip till the end of 2016 was granted. An outline plan for the area was drawn up in 2013, and the detailed planning of the area was started in 2014. The plan is expected to become final towards the end of 2015.

### **2. Dismantling of Cells at Chlorine Plant**

Stora Enso Oyj, at that time Enso Oyj, sold its paper chemicals business operations to Akzo Nobel in 1997. The chlorine and chlorate plant in Oulu was transferred to the new owner in the deal. The plant operates under the name Eka Chemicals Oy. The sales agreement specified that the seller remained responsible for environmental liabilities arising before the time of the sale. In 2007 the cells no longer used for chlorine production were dismantled so that they would not pose an occupational hazard. It was separately agreed that when Eka Chemicals will cease production of chlorine and sodium hydroxide using the mercury method, Stora Enso will be responsible for the cost of decontaminating the area in accordance with the sales agreement. In 2011 Eka Chemicals conducted an assessment to identify contamination of soil at the site. The environmental authorities have not presented demands concerning decontamination of the area.

### **3. Summa Mill**

Production at Summa Mill ceased in January 2008. An environmental permit to cease operations was received in summer 2009. The soil and groundwater have been largely decontaminated. Landscaping of the old municipal stabilisation pond was started in 2014 and will be completed in 2015. The other obligations stipulated by the permit to cease operations have also been fulfilled.

### **4. Varkaus Mill**

Following the ending of newsprint production at Varkaus, an assessment to identify contamination of soil at the mill site was conducted in 2010. According to the risk assessment, there is no need to begin decontaminating the site because industrial operations continue.

### **5. Heinola Fluting Mill**

The landfill site at Stora Enso Oyj's Heinola Fluting Mill has a waste liquor basin that was built in 1979 for storing low-concentration liquor. Low-concentration liquor was discharged into the basin until 2001. In the decision issued in 2006 concerning the environmental permit for the landfill site, a condition of the permit was that the soil at the site had to be assessed for contamination and a remediation plan drafted. The investigations showed that the soil was not contaminated, but emptying of the waste liquor basin and its remediation were deemed necessary. Stora Enso submitted an application for an environmental permit concerning the remediation of the site to the Regional State Administrative Agency for Southern Finland in March 2012. On 30 October 2014, the Regional State Administrative Agency for Southern Finland issued a permit decision concerning the remediation of the waste liquor basin. The remediation will begin in the spring 2015, and it will be completed by the end of 2015.