

Karl-Henrik Sundström, CEO



Another year of progress



Full year 2015 results



EUR million	2015	2014	Change %
Sales	10 040	10 213	-1.7%
Operational EBIT	915	810	13.0%
Operational ROCE	10.6%	9.5%	11.6%
Cash flow from operations	1 556	1 139	36.6%
Cash flow after investments	599	255	134.9%
EPS excl. NRI	EUR 1.24	EUR 0.40	210%
Dividend	0.33*	0.30	10%
Net Debt/ last 12 months' operational EBITDA	2.4	2.6	

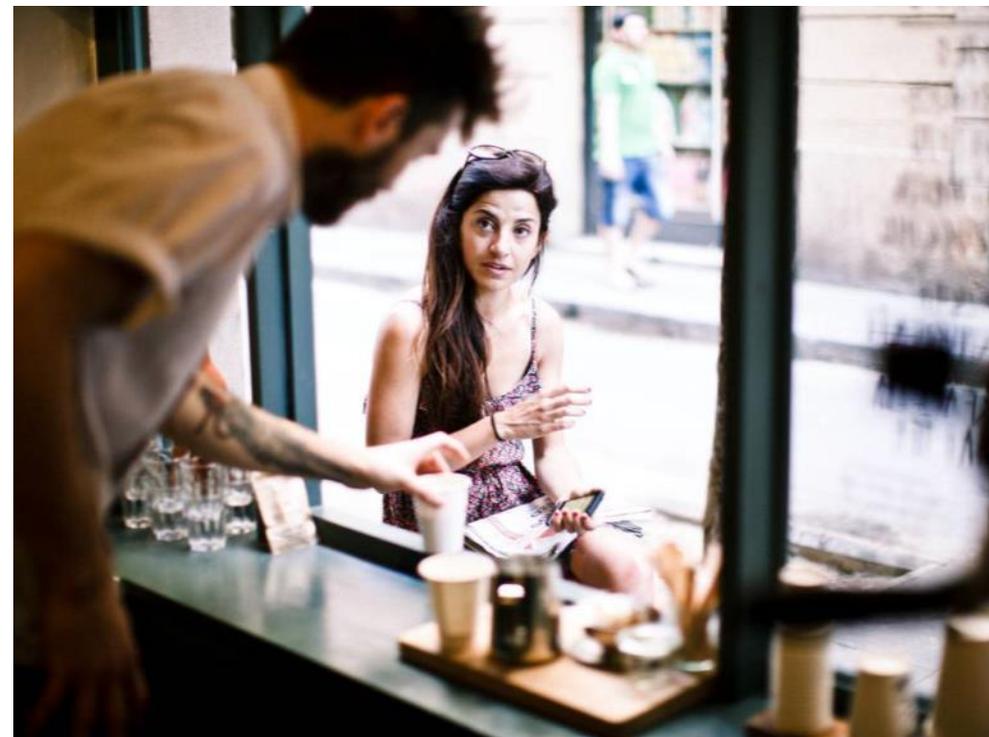
* Proposal for 2015

Another quarter of progress

Q1 2016 year-on-year



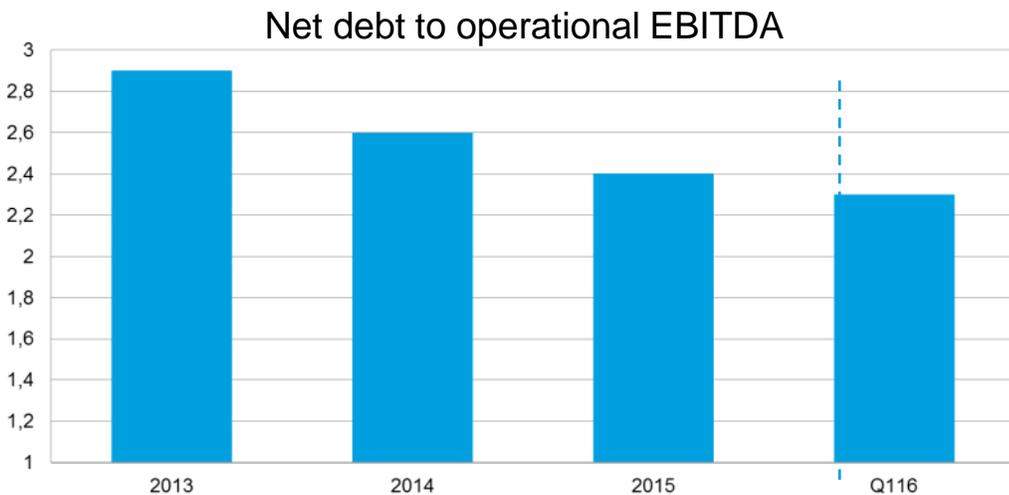
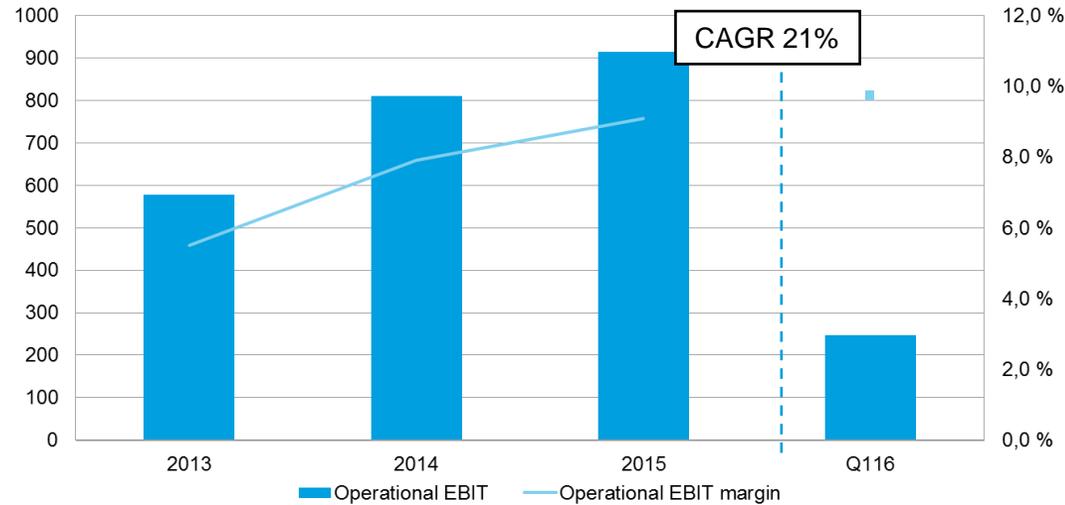
- Sales EUR 2 445 million
 - Slightly down, but increased excluding the structurally declining paper business and divested Barcelona Mill by 2.4%
- Operational EBIT increased 12.7% to EUR 248 million and margin was record high at 10.1%
- Cash flow from operations EUR 289 (EUR 171) million
 - Cash flow after investing activities EUR 96 (EUR 29) million
- Continued strengthening of the balance sheet despite high investments
 - Net debt to operational EBITDA 2.3 (2.6)



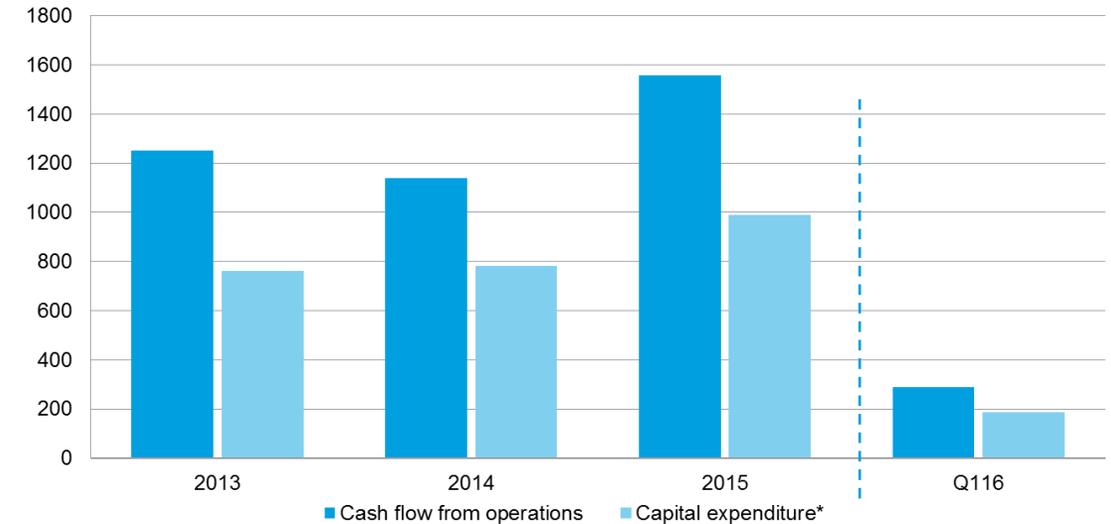
Transformation benefits clearly visible



MEUR Operational EBIT and operational EBIT margin



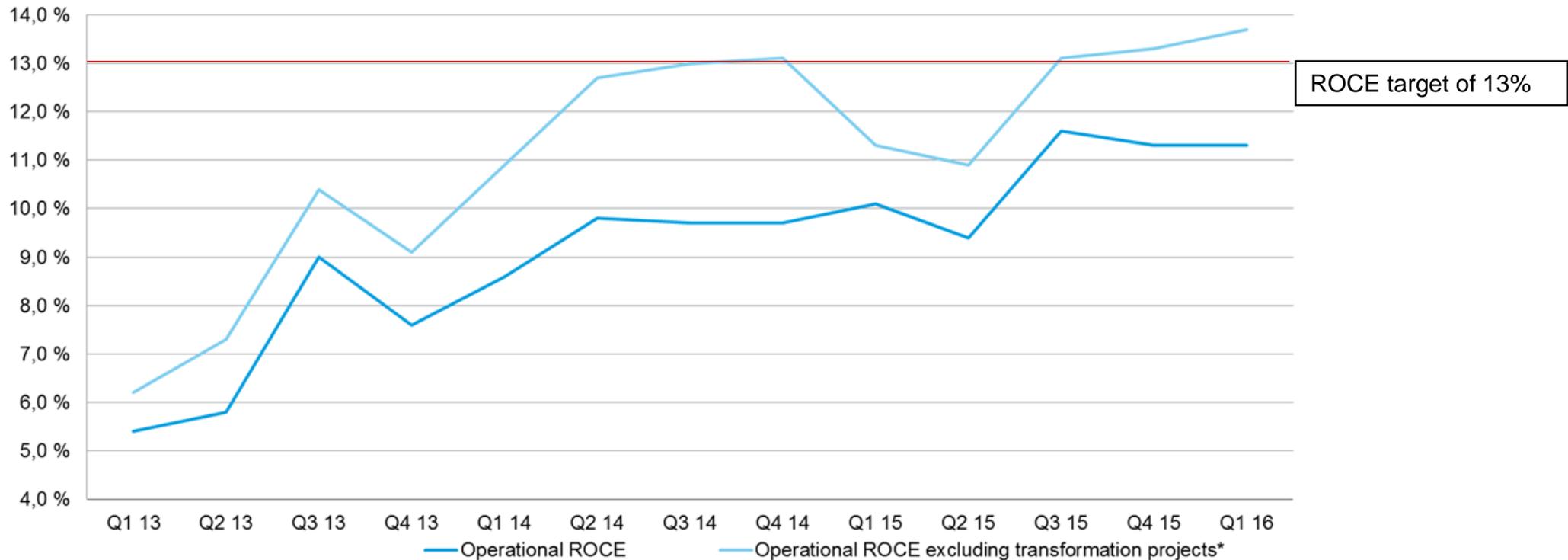
MEUR Cash flow from operations and CAPEX



* Includes biological assets

Continuous improvements

Operational ROCE 11.3%, excluding Beihai Mill project 13.7%



**Excluding Montes del Plata until end of 2014 and excluding Beihai Mill project in Guangxi*

Strategic targets ambitious, but reachable



Group targets		2014	2015	Status
Dividend	To distribute 50% of net income over the cycle			
Growth*	To grow faster than the relevant market	0.9% (YoY)	4.6% (YoY)	✓
Net debt to operational EBITDA	<3.0x	2.6	2.4	✓
Fixed costs to sales	<20%	25.1%	25.0%	
Debt to equity	<80%	65%	60%	✓
Operational ROCE	>13%	9.5%	10.6%	
<i>Operational ROCE excl. Beihai</i>		12.7**%	12.2%	

Divisional targets		2014	2015	Status
Consumer Board	Operational ROOC > 20%	17.8%	15.5%	
<i>Consumer Board excl. Beihai</i>		27.2%	29.7%	✓
Packaging Solutions	Operational ROOC > 20%	14.1%	11.1%	
Biomaterials	Operational ROOC > 15%	3.9%	12.4%	
Wood Products	Operational ROOC > 18%	17.3%	15.7%	
Paper	Cash flow after investing activities to sales > 7%	6.2%	5.5%	

*Excluding Paper, Corenso and Barcelona Mill

**Excluding also Montes del Plata investments

Stora Enso's offering at a glance



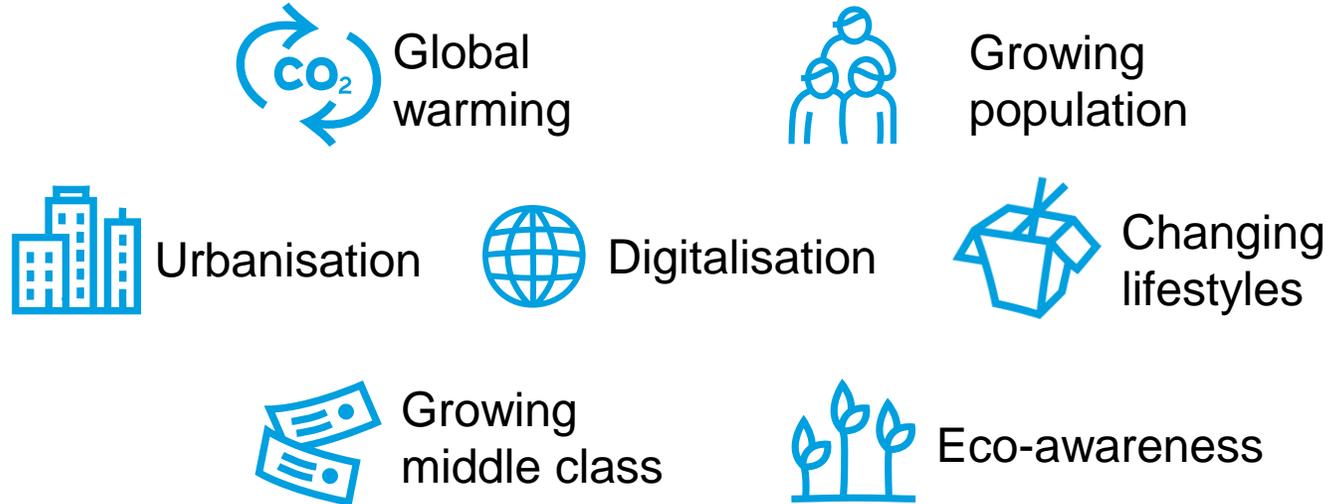
Broad customer base



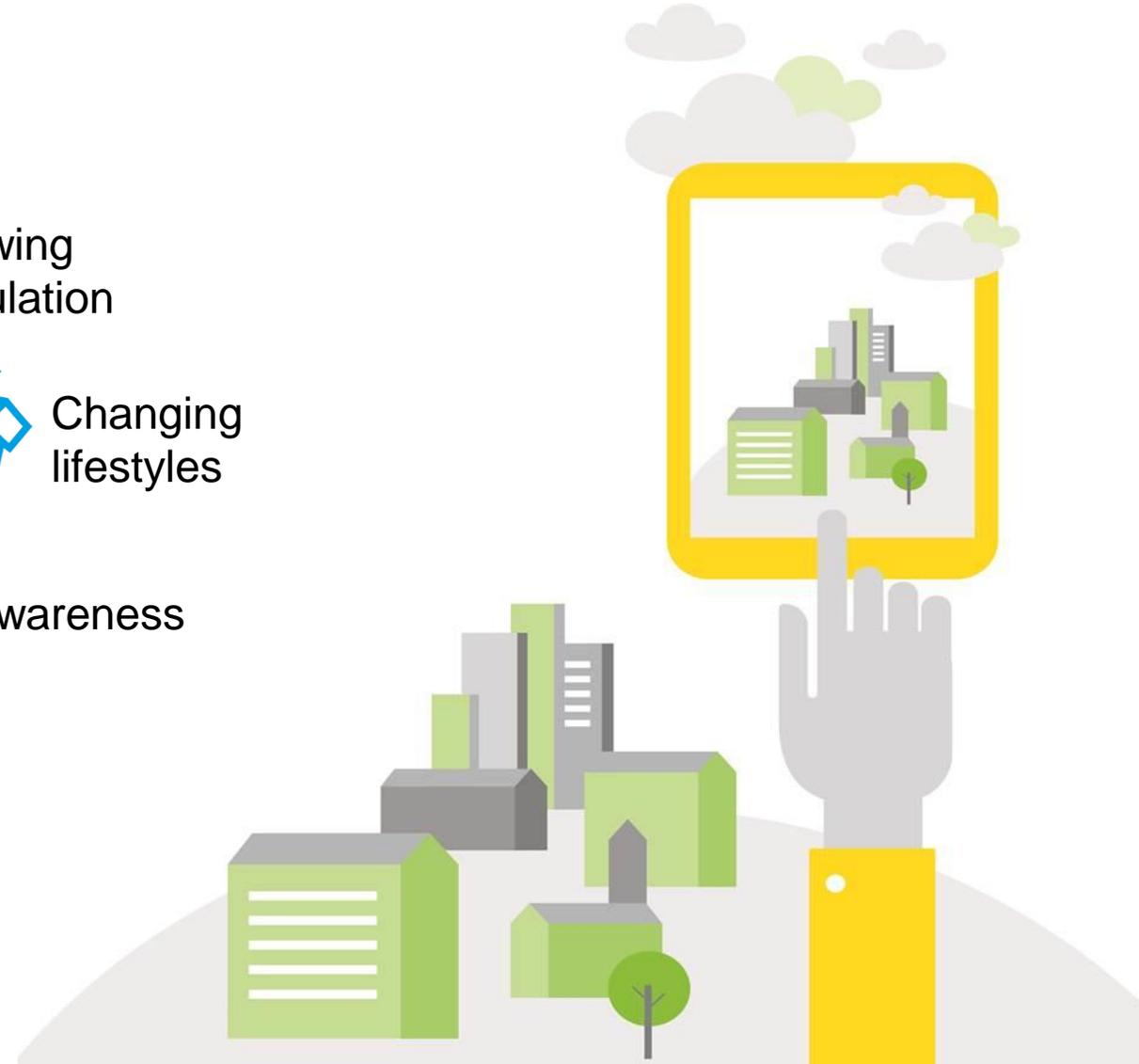
Stora Enso responds to global megatrends



- Major global trends drive the world's demand for renewable materials



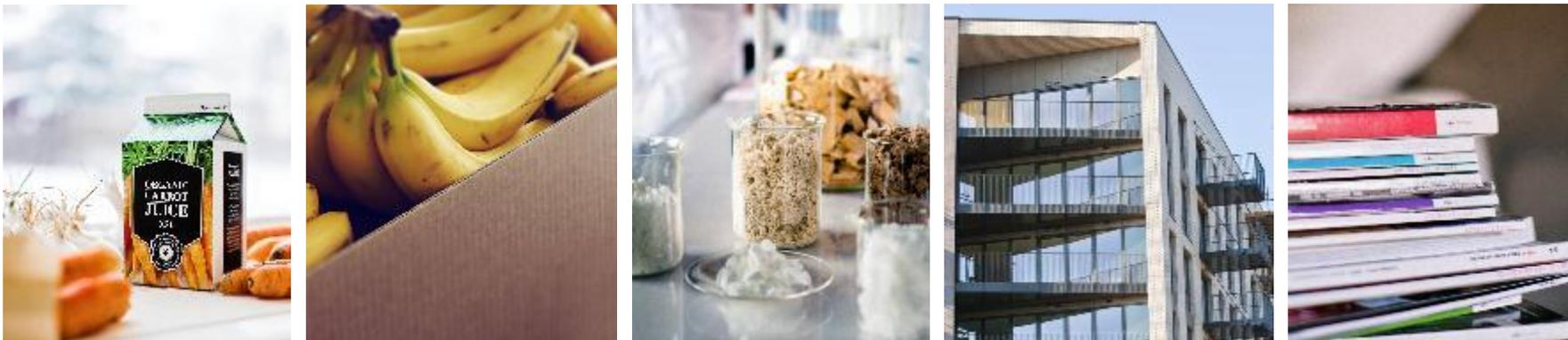
- Bio-based products are not only reusable, but also renewable



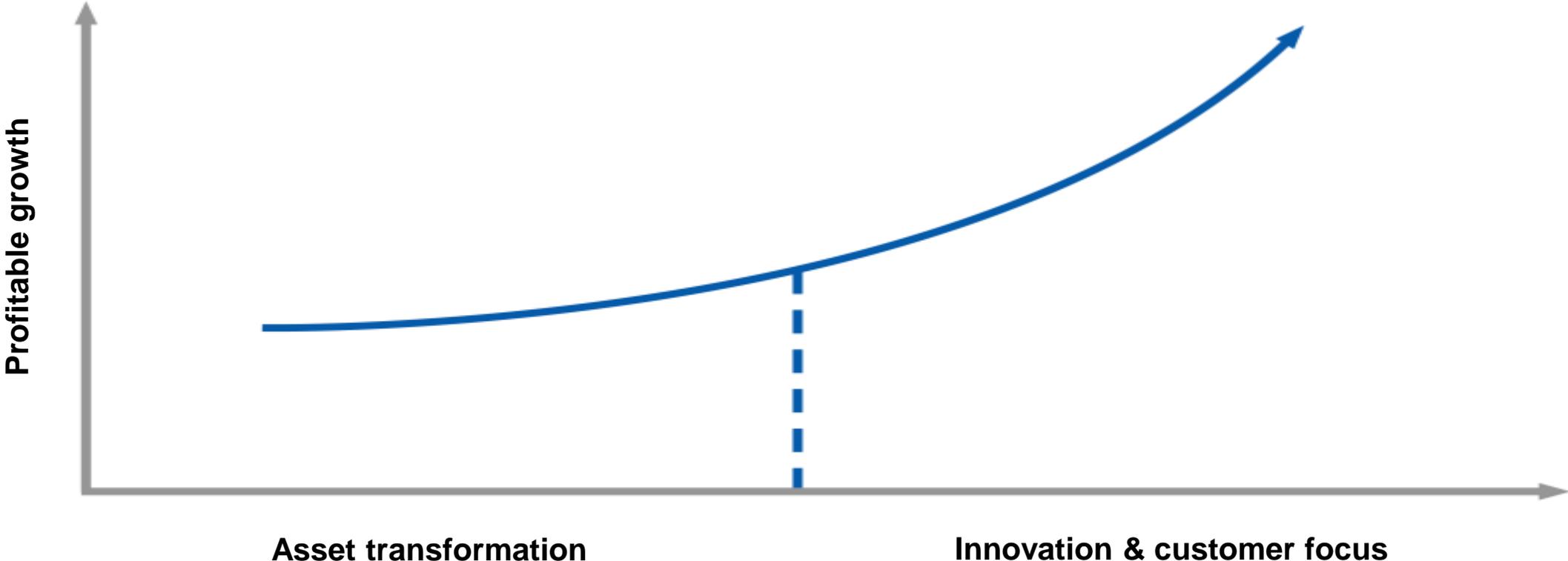
”Everything that’s made with fossil-based materials today can be made from a tree tomorrow”



From a traditional paper and board producer to a global renewable materials growth company



From asset transformation to sales transformation



Innovation Centre for biomaterials



- Located in Stockholm
- Maximize the value of wood and biomass
- Research, application, business development and strategic marketing
- Boost innovation by identifying business opportunities and linking them with innovation and research centres
- Xylose demonstration and market development plant under construction in Louisiana, USA, expected to be completed in early 2017



Innovation Centre for packaging



- Located in Helsinki
- Venue for innovation and R&D work
- Develop innovative and sustainable packaging concepts with customers and other stakeholders
- A packaging design lab and virtual reality retail technology, among other things
- Co-operation with NXP on intelligent packaging solutions announced in Q2 2015, customer project ongoing
- Commercial phase for MFC announced in Q2 2015, customer deliveries started



More for less with Micro Fibrillated Cellulose (MFC)

The first time MFC is used for Liquid Packaging board in dairy segment



- The customer Elopak wish to make packaging as light as possible
- Renewable innovation: New Natura Concept based on MFC from Stora Enso
- Stiffness and strength are maintained with less weight → more packaging material per ton of board
- Successfully launched in Eastern Europe, more than 100 million packages produced
- Western Europe next in line



Transformation – Beihai Mill expected to start up in May, ahead of the plan



- Beihai consumer board mill, the largest direct Nordic investment in China
- Full production expected 18–24 months from start up
- New PE Coating line investment to meet increasing demand for food service board announced in March
- BCTMP (mechanical) mill operational in Q4 2016
 - 220 000 tonnes annual capacity
- Deliveries of chemical pulp already started
 - 130 000 tonnes hardwood from Veracel
 - 90 000 tonnes softwood from the market



Transformation – to increase growth businesses of Packaging Solutions and Wood Products in the portfolio



- Varkaus kraftliner ramping up and full production expected in early 2017
- Wooden elements investment in Varkaus proceeding according to plan and production to start in June
- The official inauguration of the next generation Varkaus Mill will take place on 29 April 2016





Non-core asset divestments and closures in 2015 and Q1 2016

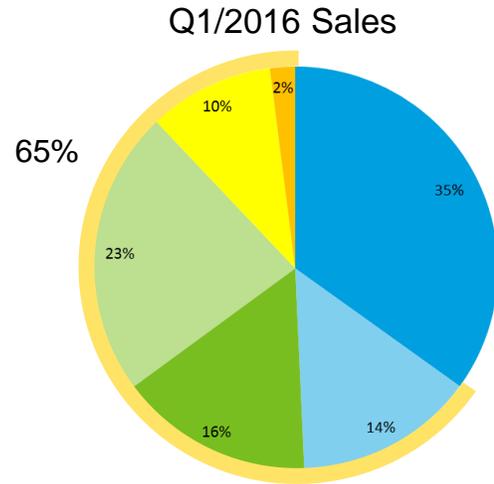
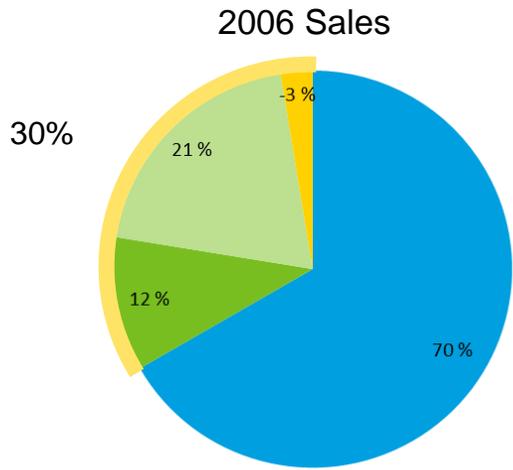


- Non-core asset divestments
 - Uetersen Mill Q1 2015
 - Komárom Mill Q3 2015
 - Barcelona Mill Q4 2015
 - Arapoti Mill Q1 2016
 - IL Recycling announced in April 2016
- Closures
 - Corrugated packaging converting unit in Chennai, India 2015
 - Pälkäne production unit Q2 2015



Transformation journey continues

Growth businesses 65% of sales and 79% of operational EBIT



2006

■ Paper businesses, incl. Merchants

■ Biomaterials

■ Wood products business

■ Packaging business

■ Other and eliminations

In 2006, all pulp used internally.

Q1/2016

■ Paper

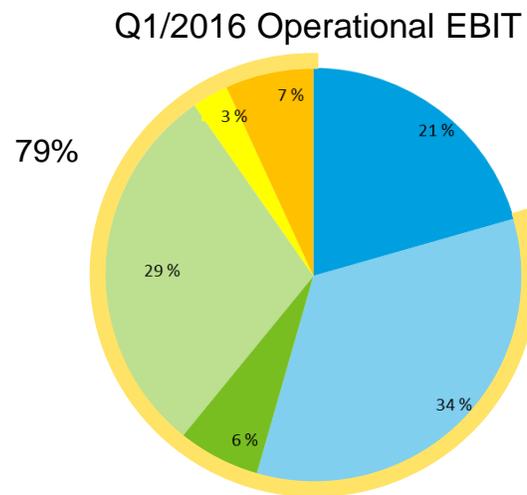
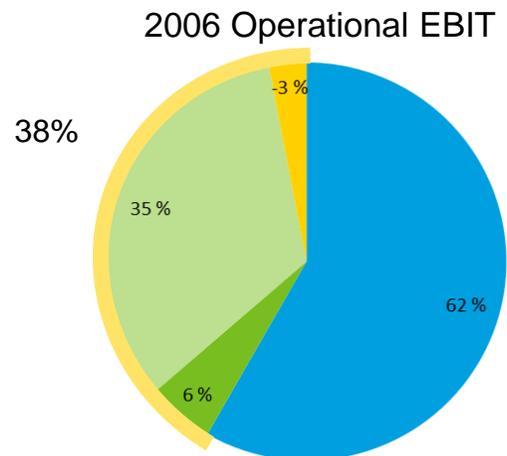
■ Biomaterials

■ Wood products business

■ Consumer Board

■ Packaging Solutions

■ Other and eliminations



Stora Enso as a taxpayer



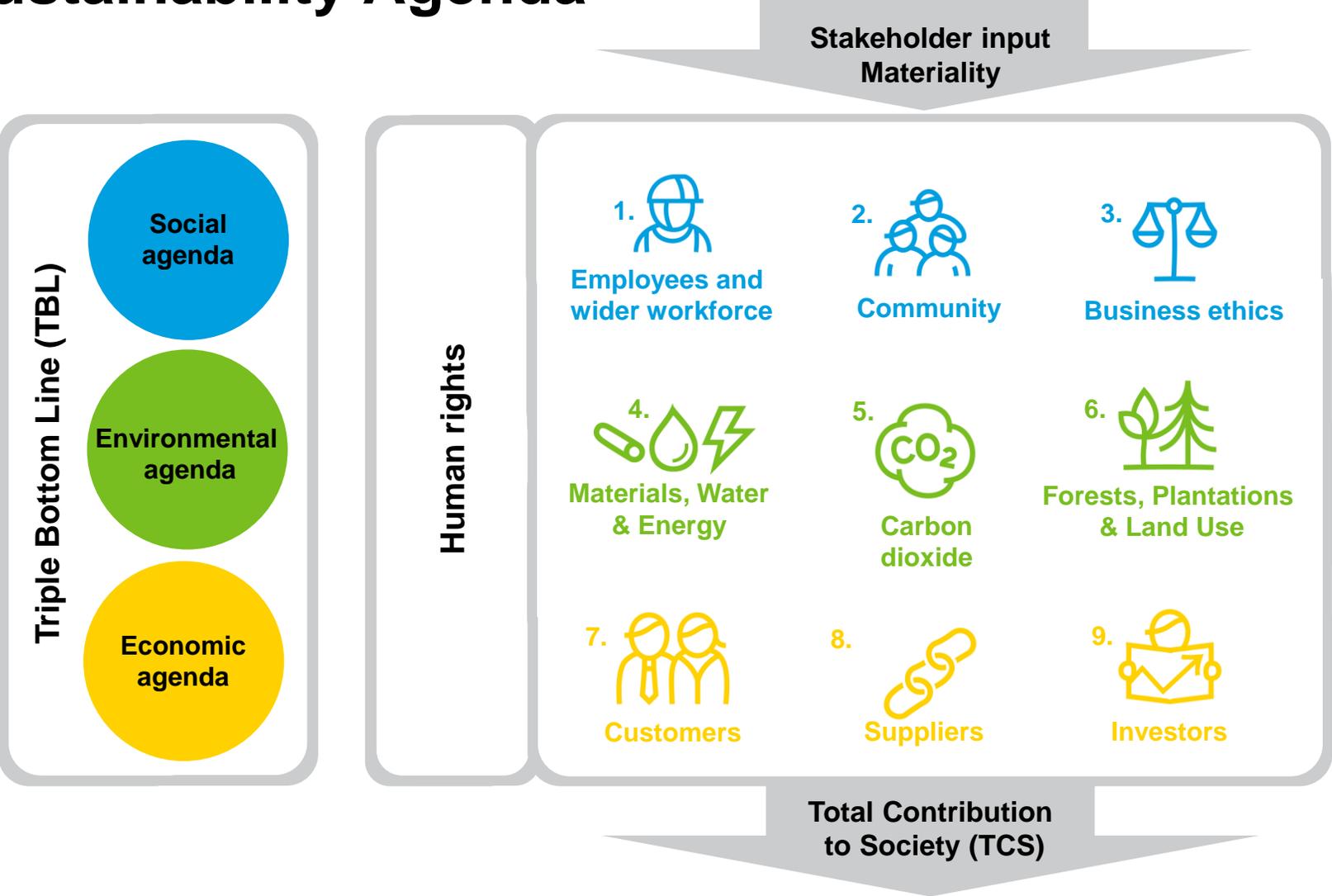
EUR million in 2015	Finland	Sweden	Germany	UK	China	Poland	Belgium	Austria	Brazil	Russia	Other	Total
Primary activity	Production	Production and sales	Production and sales	Sales	Sales	Production and sales	Production and sales	Production and sales	Production	Production and sales		
Taxes borne												
Corporate income tax	-	37	3	-	4	10	2	-	2	4	17	79
Employment taxes	89	87	17	1	13	4	11	11	3	3	20	259
Operational taxes	20	6	7	-	20	6	6	1	9	4	6	85
Total Taxes Borne	109	130	27	1	37	20	19	12	14	11	43	423
Taxes collected												
VAT & similar*	33	71	113	85	9	27	9	8	3	9	28	395
Payroll taxes	143	82	37	2	12	8	10	14	3	1	21	333
Other taxes	52	-	-	-	-	-	-	-	10	-	2	64
Total Taxes Collected	228	153	150	87	21	35	19	22	16	10	51	792
Total Taxes Paid	337	283	177	88	58	55	38	34	30	21	94	1 215

* VAT, goods and services taxes and similar turnover related taxes

Our progress in sustainability



Our Sustainability Agenda



Why sustainability matters



- Our purpose, values and company culture are based on fair business
- Consumers today consider the materials they buy, how the goods have been produced and under what kind of working conditions
- Rightly managed, sustainability is a competitive advantage
- **Because you care!** Investors, customers, employees and partners



Human rights

Integrated in our sustainability work



- We are committed to the UN Guiding Principles on Business and Human Rights
- Group-wide human rights assessments completed
 - Action plans were launched in 2015
- A unique Public-Private Partnership with ILO
 - Combatting child labour in supply chains in Pakistan continues

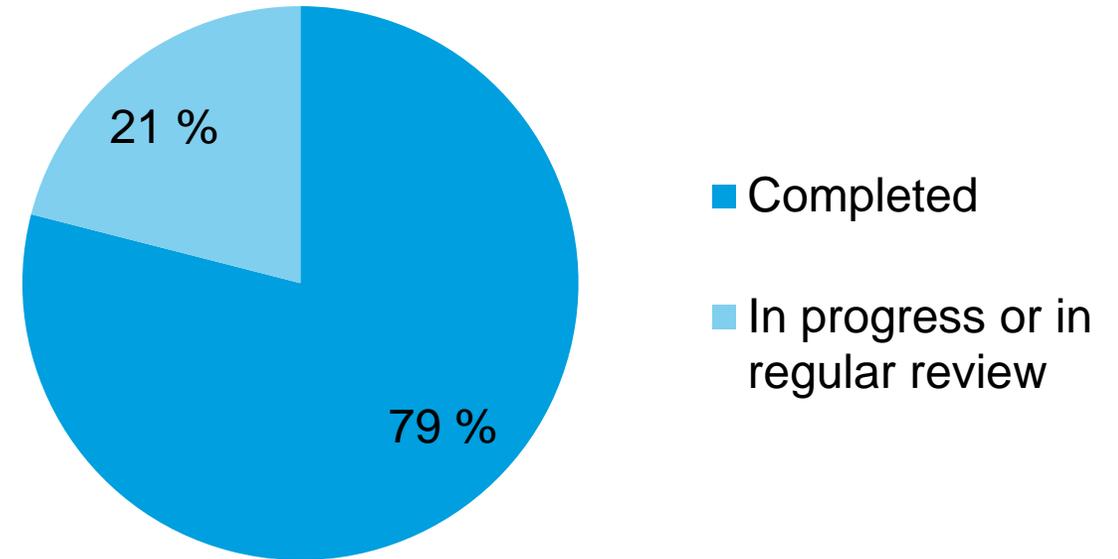


Human Rights Action Plans in 2015–2016

Transparent reporting of progress



- All action plans were developed by the end of Q2/2015
- Most of the action plans will be completed by the end of Q4/2016
- Total of 366 action items
- We report on our progress quarterly in our interim reviews



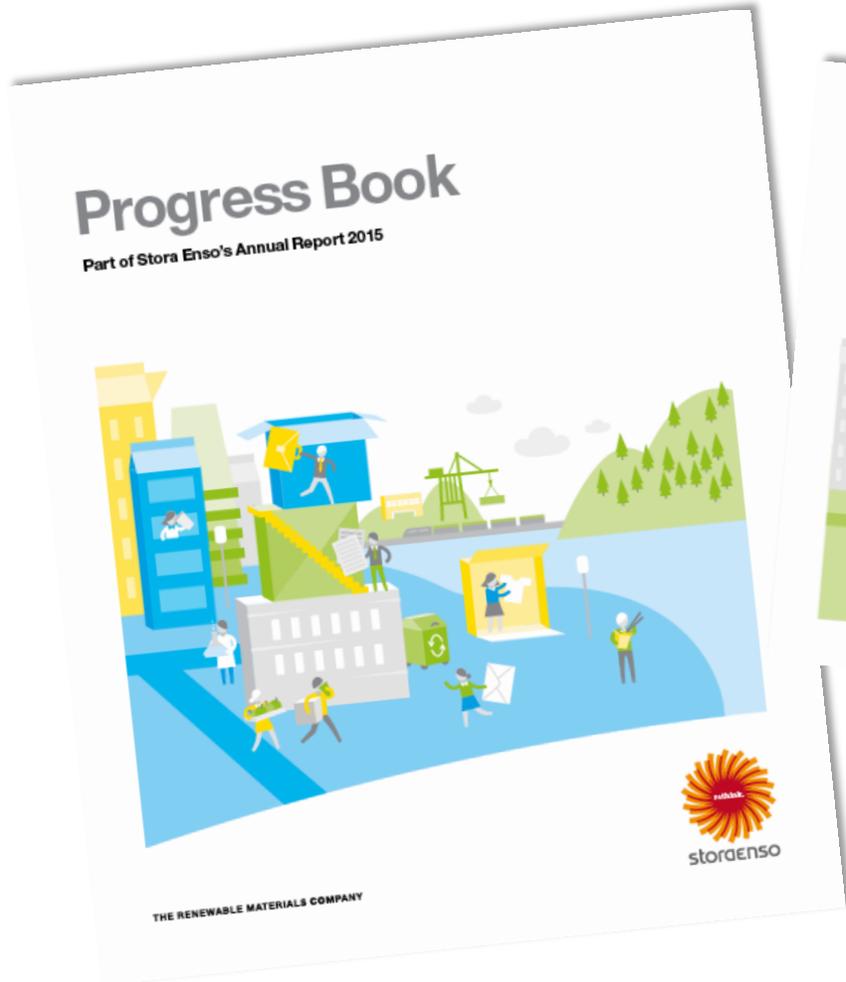
We combat global warming with renewable materials



- Our renewable raw material absorbs CO₂ and our products act as carbon storages
- A high share of CO₂ emissions from our production are fossil free, biogenic emissions from using biomass fuels
- Our target is to reduce fossil CO₂ emissions by 35% from 2006 to 2025
 - In 2015 we reached a 32% reduction
- We report on our emissions transparently
 - We were highly ranked in the Carbon Disclosure Leadership Index in 2015

When you want to know more

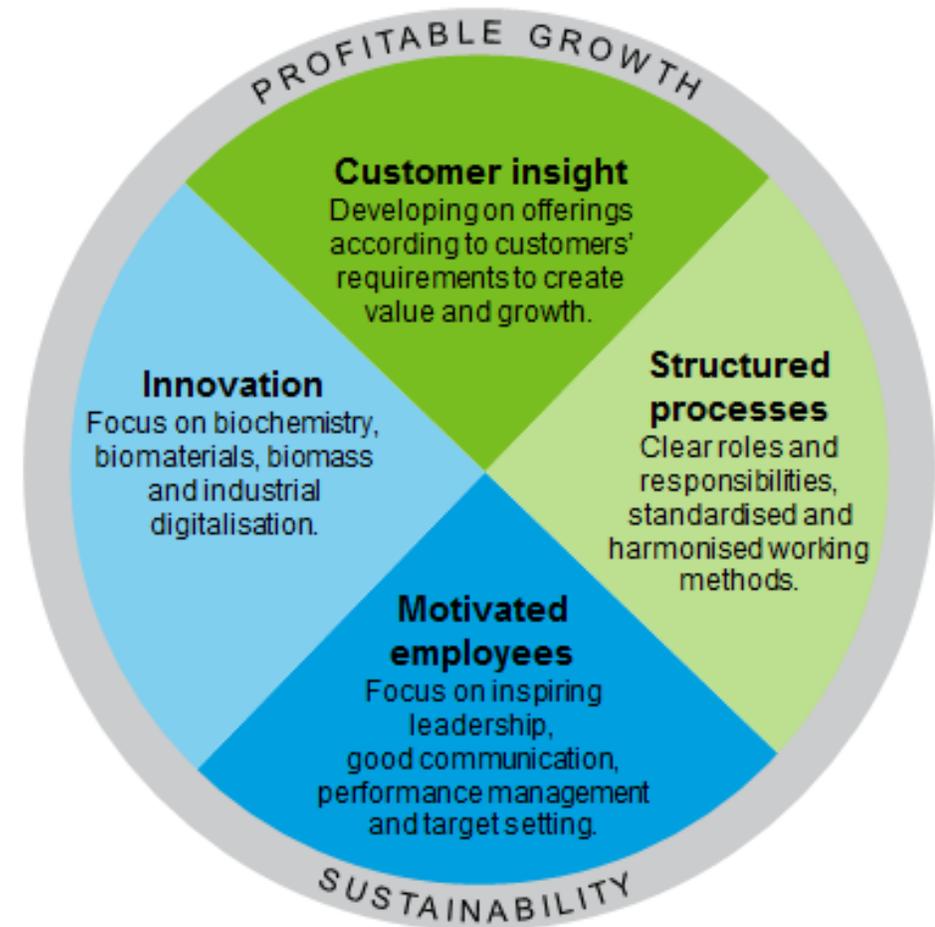
Read our reports



Strategy for transformation continues



Stora Enso's strategy is about **profitable growth** based on **customer insights** and **innovation**, supported by **structured processes** and **motivated employees**.





storaenso

THE RENEWABLE MATERIALS COMPANY