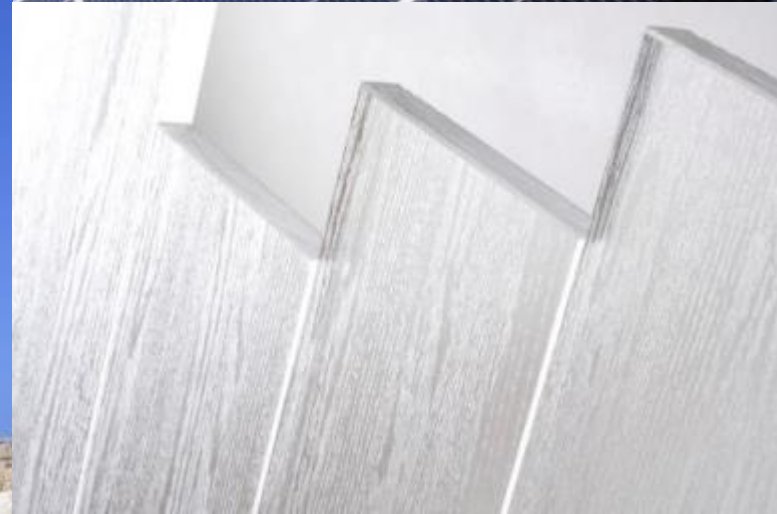


Karl-Henrik Sundström, CEO



Have you ever thought about what a tree can do?



**Stora Enso
celebrating 100 years
on the Helsinki
Stock Exchange**

LOVE

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STORA ENSO

100TH LISTING

ANNIVERSARY



storaenso



Full year 2016 results



EUR Million	2016	2015	Change %
Sales	9 802	10 040	-2.4%
Operational EBIT	884	915	-3.4%
Operational ROCE	10.2%	10.6%	
Cash flow from operations	1 633	1 556	4.9%
Cash flow after investing activities	834	599	39.2%
EPS excl. IAC	EUR 0.65	EUR 1.24	-47.6%
Dividend per share	EUR 0.37*	EUR 0.33	12.1%
Net Debt/ last 12 months' operational EBITDA	2.0	2.3	

* Proposal for 2016

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* Proposal for 2016

2016 year-on-year



- Sales EUR 9 802 million
 - Increased 3.1% excluding paper business and divested Barcelona Mill
 - Varkaus kraftliner and Beihai consumer board mills' ramp-up
- Operational EBIT EUR 884 million decreased EUR 31 million
 - Historically low hardwood pulp prices, negative impact of EUR 87 million in Biomaterials
 - Negative impact of EUR 74 million from Beihai ramp-up
 - Positive impact of EUR 134 million from Paper division



Transformation driving sales growth

Q1 2017 year-on-year

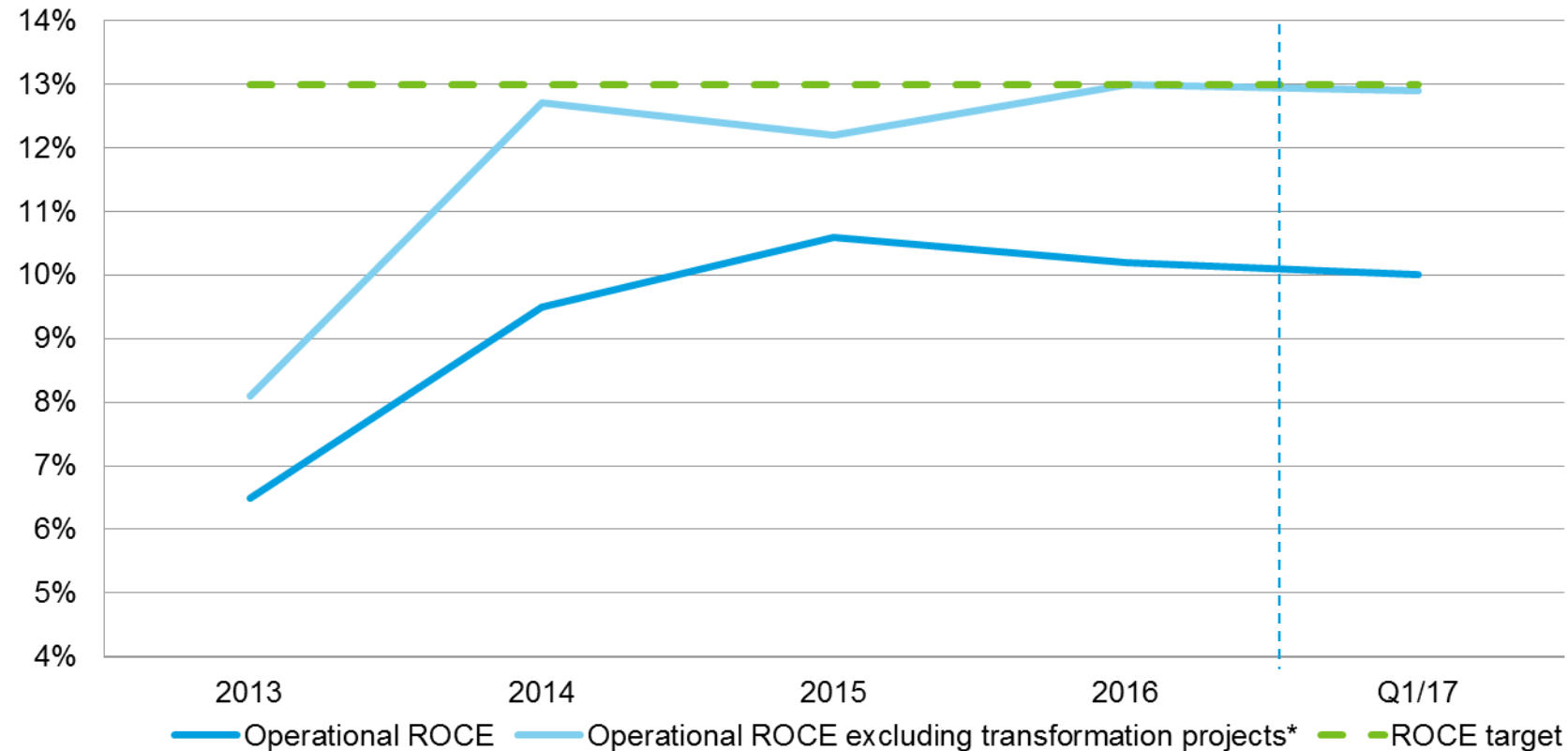


- Sales EUR 2 497 million +2.1%, increased for the first time in 5 years, +9.7% excluding paper
 - Beihai, Varkaus and Murów ramp-up, higher volumes
- Operational EBIT EUR 215 million, EBIT margin 8.6%
 - Hardwood pulp, paper prices & transformational costs
 - Beihai cost EUR 12 million more, including EUR 7.5 million provision related to turbine damage
- Cash flow from operations EUR 178 (289) million, after investing activities EUR 43 (96) million
- Operational ROCE 10.0% (11.3%), excluding Beihai Mill investment 12.9% (13.7%)
- Net debt to operational EBITDA decreased to 2.0 (2.2)
- EUR 50 million profit improvement programme proceeding according to plan



Continuous improvements

Operational ROCE 10.0%, excluding Beihai Mill project 12.9%



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

Majority of the portfolio is aimed at growth



Stora Enso 2016: Sales EUR 9 802 million/ Operational EBIT EUR 884 million/
Operational ROCE 10.3% / Operational ROCE excluding Beihai 13.0%



Consumer Board
Expansion of
relative market
share in profitable
niches



**Packaging
Solutions**
Selective profitable
growth



Biomaterials
Strengthening
current business
and creating new
profitable growth



Wood Products
Accelerating
growth

Paper
Strategy for
maximum cash
generation

Strategic targets ambitious, but reachable



Group targets		2015	2016	Status
Dividend	To distribute 50% of net income over the cycle			
Growth*	To grow faster than the relevant market	4.6% (YoY)	3.1% (YoY)	✓
Net debt to operational EBITDA	<3.0x	2.4	2.0	✓
Fixed costs to sales	<20%	25.0%	25.3%	
Debt to equity	<80%	60%	47%	✓
Operational ROCE	>13%	10.6%	10.2%	
<i>Operational ROCE excl. Beihai</i>		12.2%	13.0%	✓

Divisional targets		2015	2016	Status
Consumer Board	Operational ROOC > 20%	15.5%	12.7%	
<i>Consumer Board excl. Beihai</i>		29.7%	36.2%	✓
Packaging Solutions	Operational ROOC > 20%	11.1%	7.6%	
Biomaterials	Operational ROOC > 15%	12.4%	8.5%	
Wood Products	Operational ROOC > 18%	15.7%	16.8%	
Paper	Cash flow after investing activities to sales > 7%	5.5%	8.5%	✓

*Excluding Paper

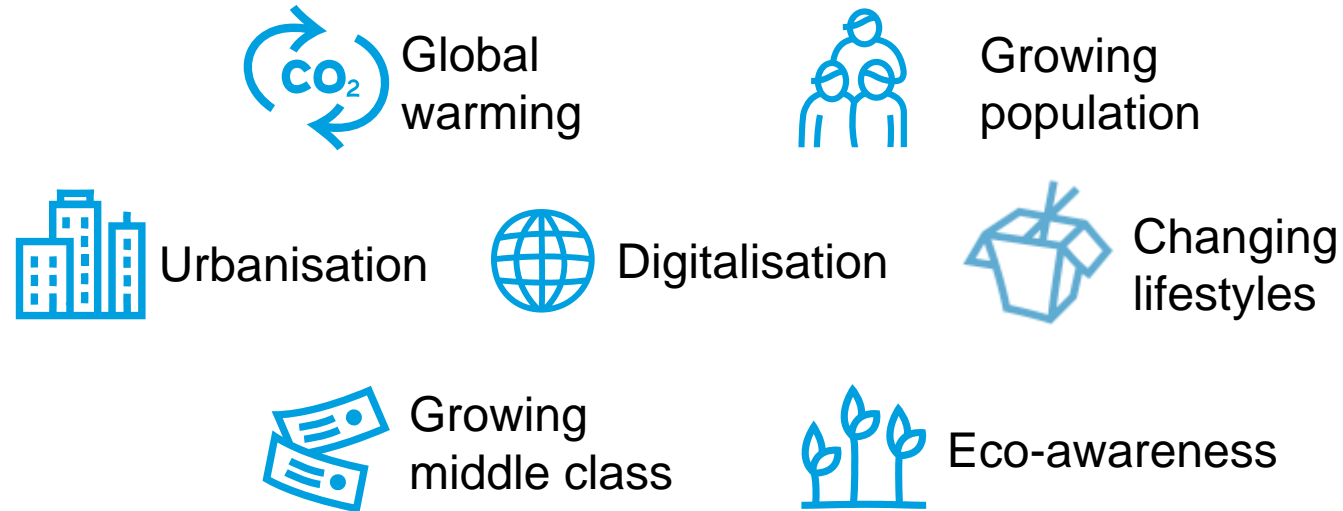
Stora Enso's offering...



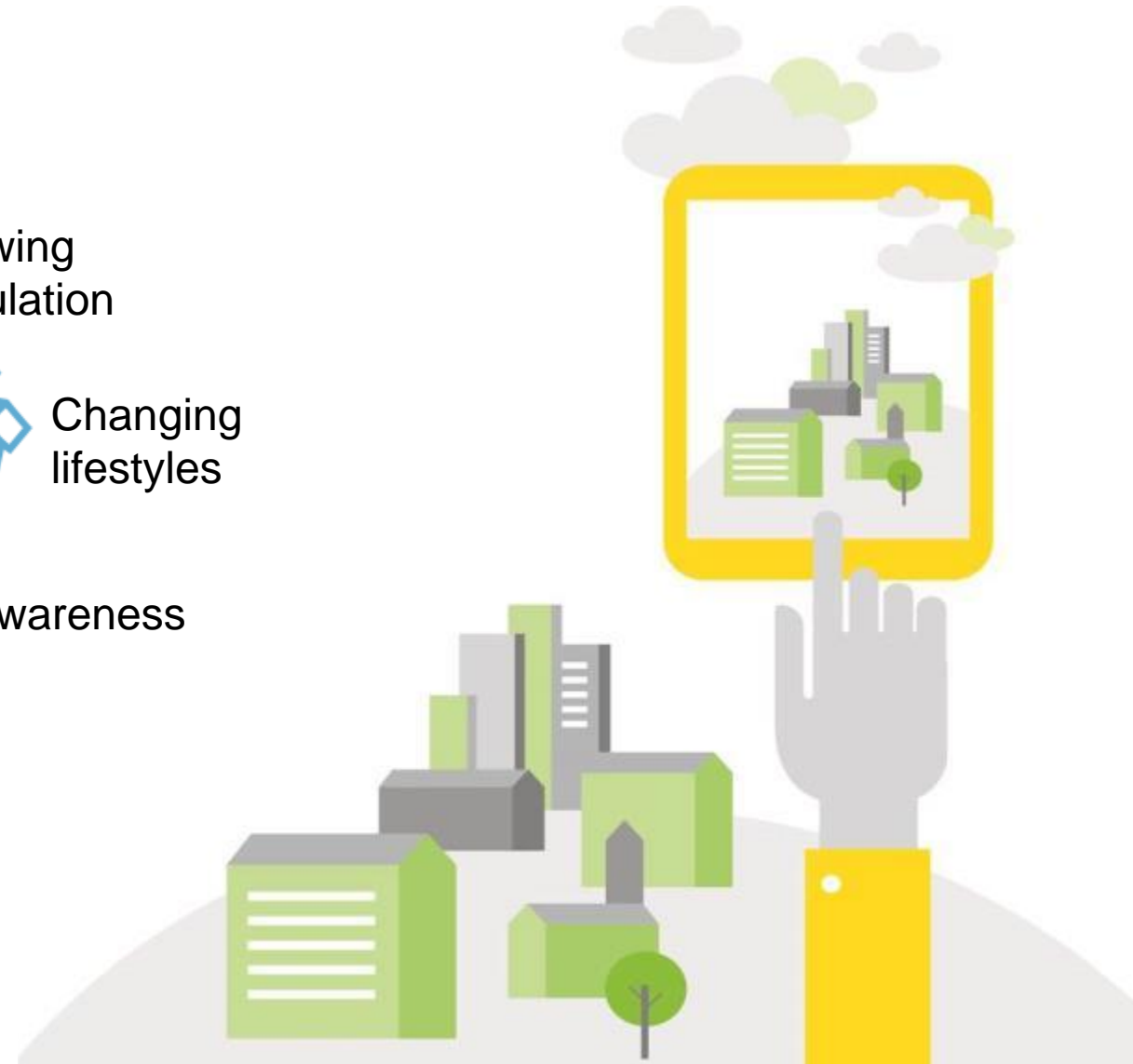
...responds to global megatrends



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



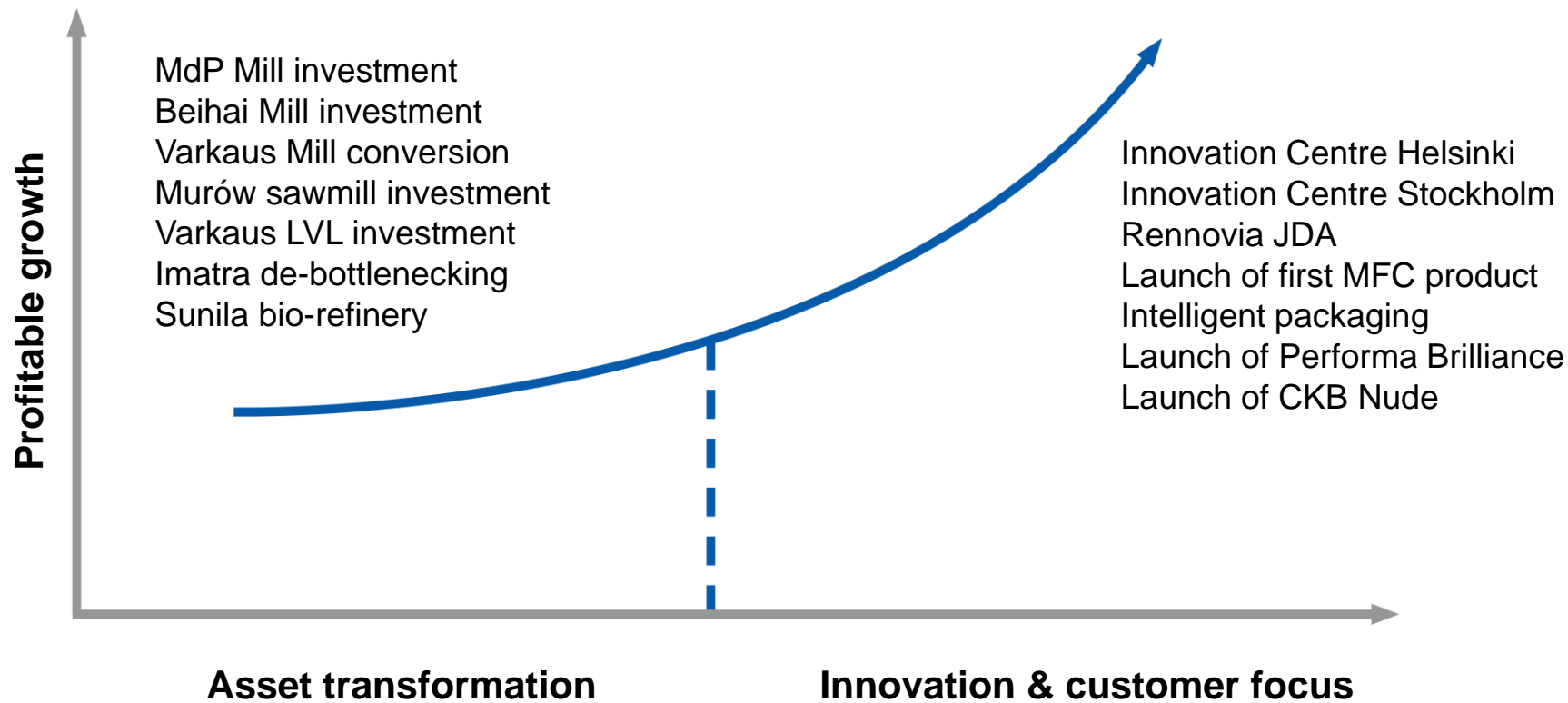
- Bio-based products are not only reusable, but also renewable



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



Asset transformation nearly completed – now the focus is on sales and innovation



Beihai Mill – EBITDA break-even in Q1 2018



Varkaus conversion – EBIT break-even in Q2 2017



Varkaus – first LVL billet and the team



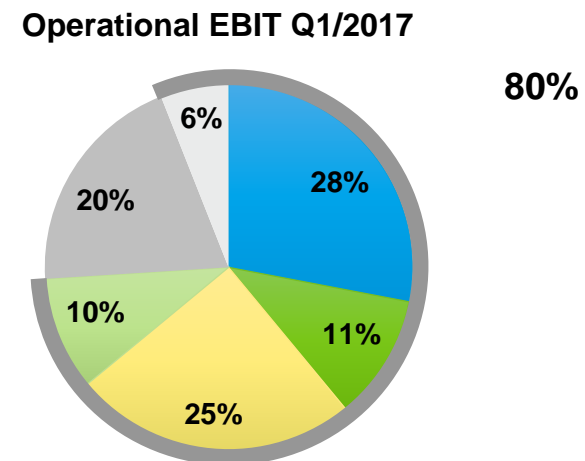
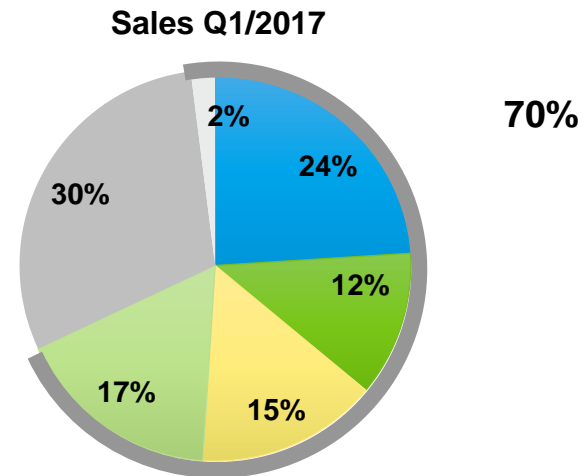
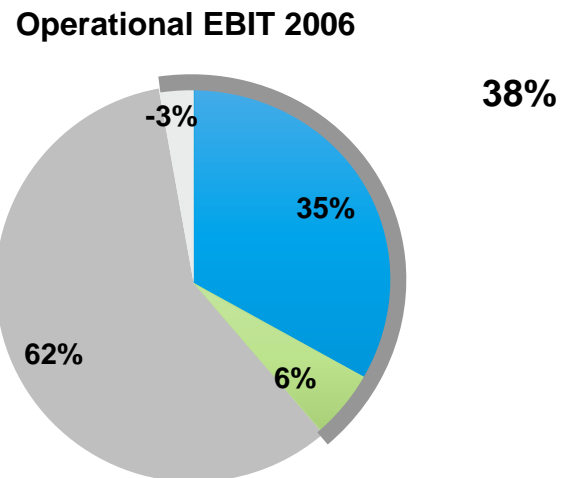
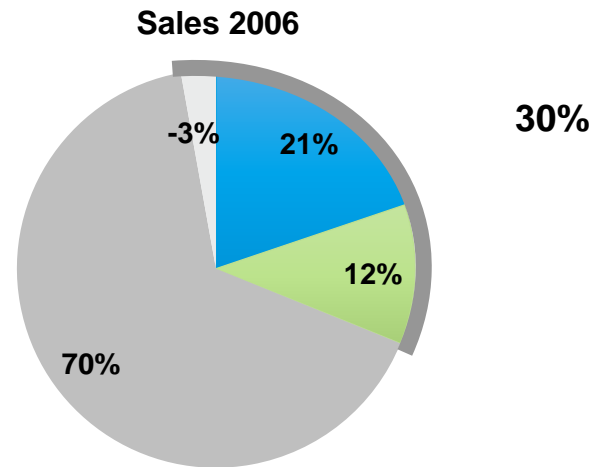
Transformation steps since 2016



Investments		Divestment and closure announcements	
Beihai Mill start-up	✓	Arapoti Mill, Brazil	✓
Varkaus LVL start-up	✓	IL Recycling AB, Sweden	✓
Murów inauguration	✓	Hartola production unit, Finland	✓
Varkaus kraftliner EBITDA break-even	✓	Kabel Mill, Germany	✓
Beihai PE coating line	Ongoing	Suzhou Mill, China	✓
Skoghall Mill, chemical plant	Ongoing	Heinola corrugated planned closure	✓
Skutskär Mill, environmental investment	Ongoing	Packaging machine manufacturing company Formeca, Finland	✓
Imatra PE coating line and automated roll warehouse	Ongoing	Plan to shut down SC paper machine at Kvarnsveden Mill	✓
Skutskär pulp mill, fluff	Ongoing		
Lahti corrugated packaging investment	Ongoing		
Imatra, Ingerois and Fors MFC	Ongoing		
Heinola Fluting Mill capacity increase	Ongoing		
Hylte biocomposite granules	Ongoing		

Transformation journey

Growth businesses 70% of sales and 80% of operational EBIT



- Consumer Board
- Packaging Solutions⁽¹⁾
- Biomaterials
- Wood Products
- Paper⁽²⁾
- Other & eliminations

⁽¹⁾ In 2006 included in Consumer Board

⁽²⁾ In 2006 includes merchants

Stora Enso as a taxpayer

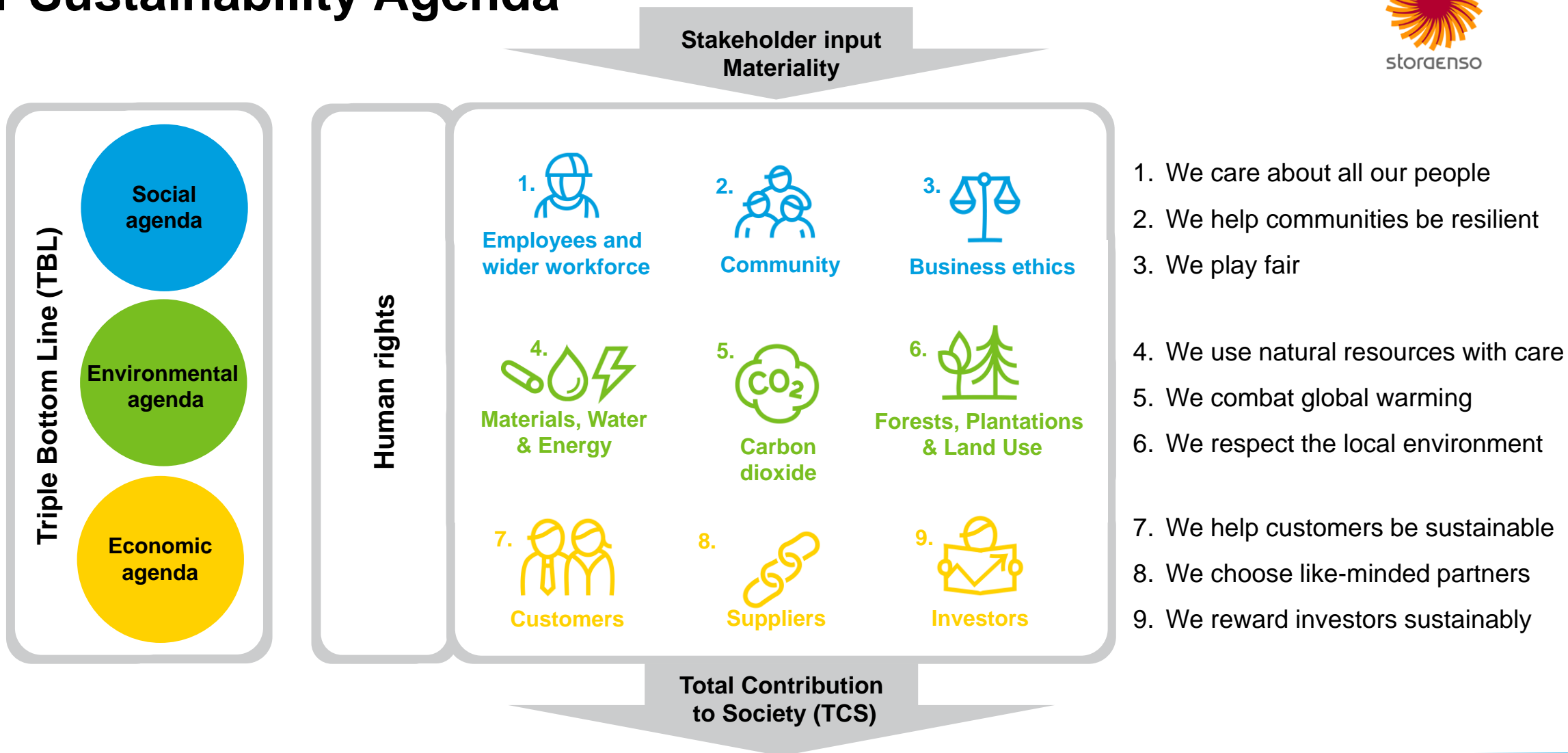
Reducing accumulated tax losses



EUR million in 2016	Finland	Sweden	Germany	UK	China	Poland	Belgium	Austria	Brazil	Russia	Other	Total
Primary activity	Production	Production and sales	Production and sales	Sales	Production and sales	Production and sales	Production and sales	Production and sales	Production	Production and sales		
Taxes borne												
Corporate income tax	0	47	2	0	14	7	12	2	3	10	8	105
Employment taxes	97	89	15	1	12	5	11	12	2	3	16	263
Operational taxes	15	7	6	0	31	5	6	0	4	1	9	84
Total Taxes Borne	112	143	23	1	57	17	29	14	9	14	33	452
Taxes collected												
VAT & similar*	33	70	116	80	9	28	9	8	3	10	27	393
Payroll taxes	142	83	33	2	12	8	9	14	2	1	19	325
Other taxes	62	0	0	0	0	0	0	0	8	0	1	71
Total Taxes Collected	273	153	149	82	21	36	18	22	13	11	47	789
Total Taxes Paid	349	296	172	83	78	53	47	36	22	25	80	1 241

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

Our Sustainability Agenda



Business ethics

We play fair



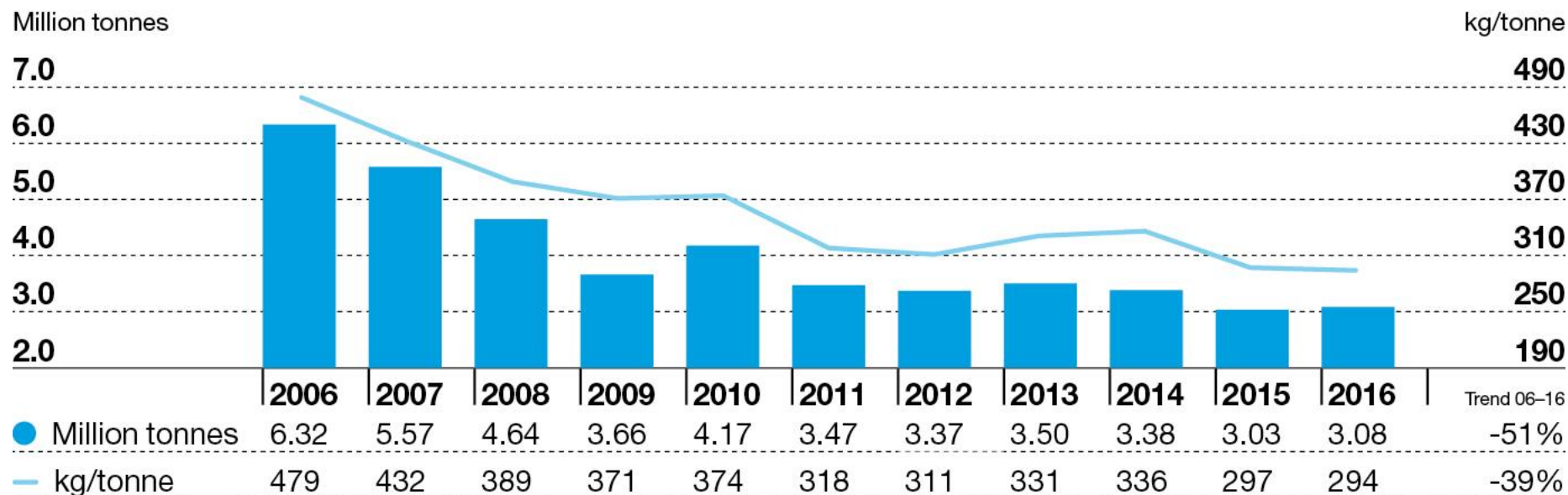
- As a value-driven company, compliance is only the starting point for us
 - Focus on wider ethical topics
- We drive Ethics and Compliance through
 - Top level commitment
 - Communication and training
 - Intensified efforts in high-risk countries
 - Developing grievance channels
 - Promoting ethics and compliance as a competitive edge
- New initiatives include a volunteer based Ethics Ambassadors program for employees who wish to actively practice and promote business ethics

Carbon dioxide

We combat global warming



Our fossil CO₂ emissions¹



¹ Covering direct and indirect fossil CO₂ emissions (scopes 1 and 2) from pulp, paper, and board production units. Normalised figures are reported per unit of sales production. Historical figures recalculated due to changes in baseline following divestments or accuracy improvements.

Forests, plantations & land use

We respect the local environment



- Sustainable forest management keeps forests and plantations healthy and productive
- 90% of our wood comes from managed semi-natural forests, the rest from tree plantations
- All our wood comes from sustainable sources
 - 83% of our wood is FSC and/or PEFC certified
 - 90% of lands owned and managed by us is covered by certification
 - Traceability systems and other tools ensure the sustainability of all uncertified wood



External recognitions and awards in 2016

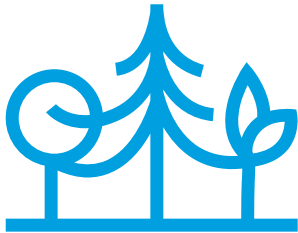


CDP's Climate A list



FTSE4Good

Bio-based brand of the year



Product awards



STOXX ESG indices



Euronext Vigeo – Europe 120



Nordic housing competition



Stora Enso Safety Toolbox



Congratulations Finland!

We are looking forward to the next 100 years



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Read our reports

