

Welcome to the Annual General Meeting



THE RENEWABLE MATERIALS COMPANY

Headphones Kielikanavat



Choose your language / Valitse kielikanava



English

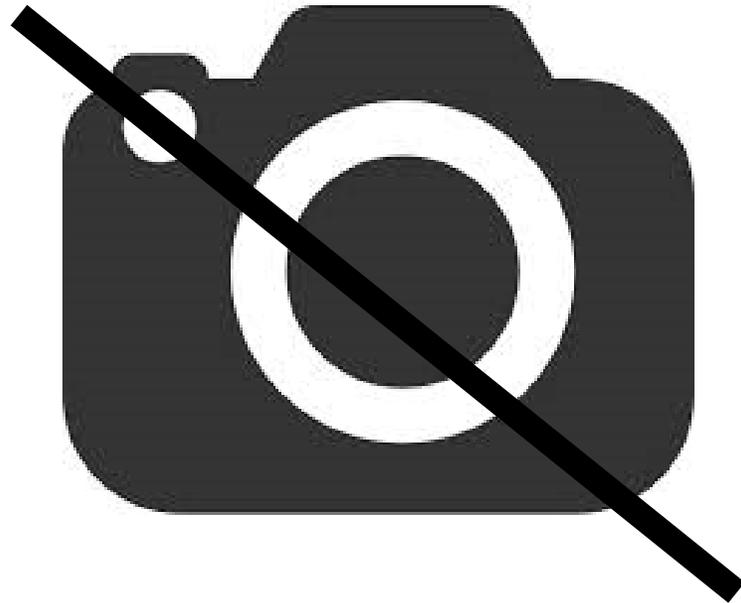


Svenska



Suomi

No photography or video or audio recording





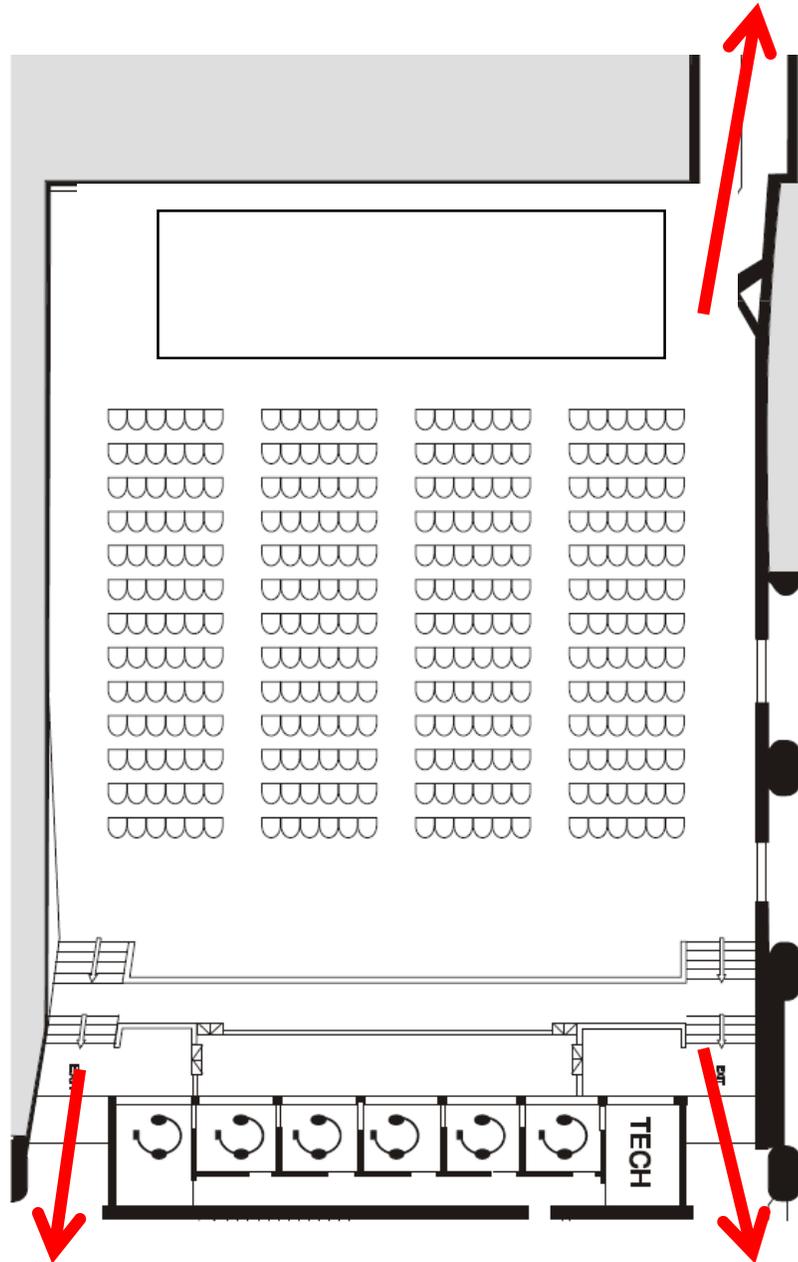
Welcome!

Jorma Eloranta, Chairman of the Board of Directors



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THE RENEWABLE MATERIALS COMPANY



Emergency exits

Headphones Kielikanavat



Choose your language / Valitse kielikanava



English



Svenska



Suomi



Stora Enso's Annual General Meeting

28 March 2018



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CEO's report

Karl-Henrik Sundström

Congratulations Finland 100 years!



The renewable materials growth company



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

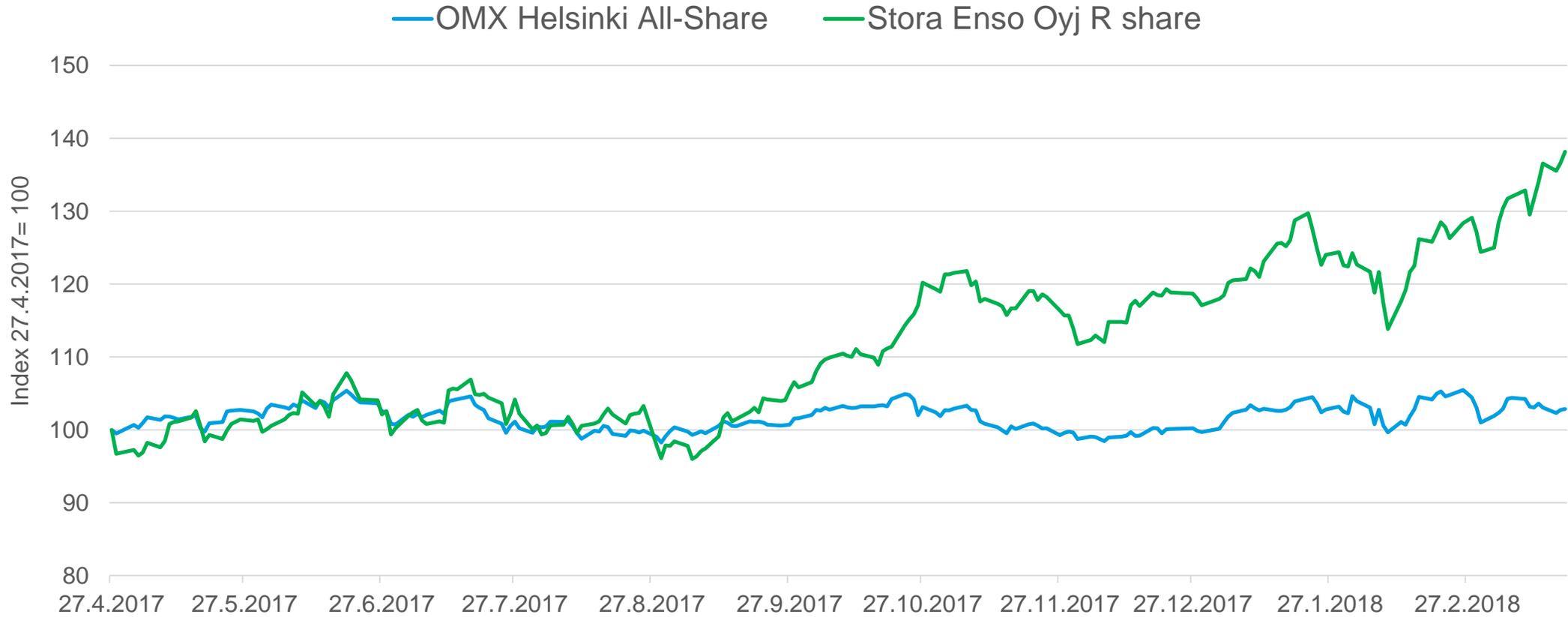


Over EUR 10 billion sales

Over EUR 1 billion operational EBIT

Over 10% operational EBIT margin

Stora Enso share price since the last AGM on 27 April 2017



Full year results

2014–2017



EUR million	2017	2016	2015	2014
Sales	10 045	9 802	10 040	10 213
Operational EBIT	1 004	884	915	810
Operational EBIT margin	10.0%	9.0%	9.1%	7.9%
Operational ROCE	11.9%	10.2%	10.6%	9.5%
Cash flow from operations	1 492	1 633	1 556	1 139
Cash flow after investing activities	825	834	599	255
EPS excl. IAC	EUR 0.89	EUR 0.65	EUR 1.24	EUR 0.40
Dividend per share	EUR 0.41*	EUR 0.37	EUR 0.33	EUR 0.30
Net debt/last 12 months' operational EBITDA**	1.4	1.9	2.2	2.3

* Proposal for 2017

**Restated due to a change in group's operational EBITDA definition to include the operational EBITDA of its equity accounted investments (EAI)

Full year results

2014–2017



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Accelerated profitable growth

2017 year-on-year

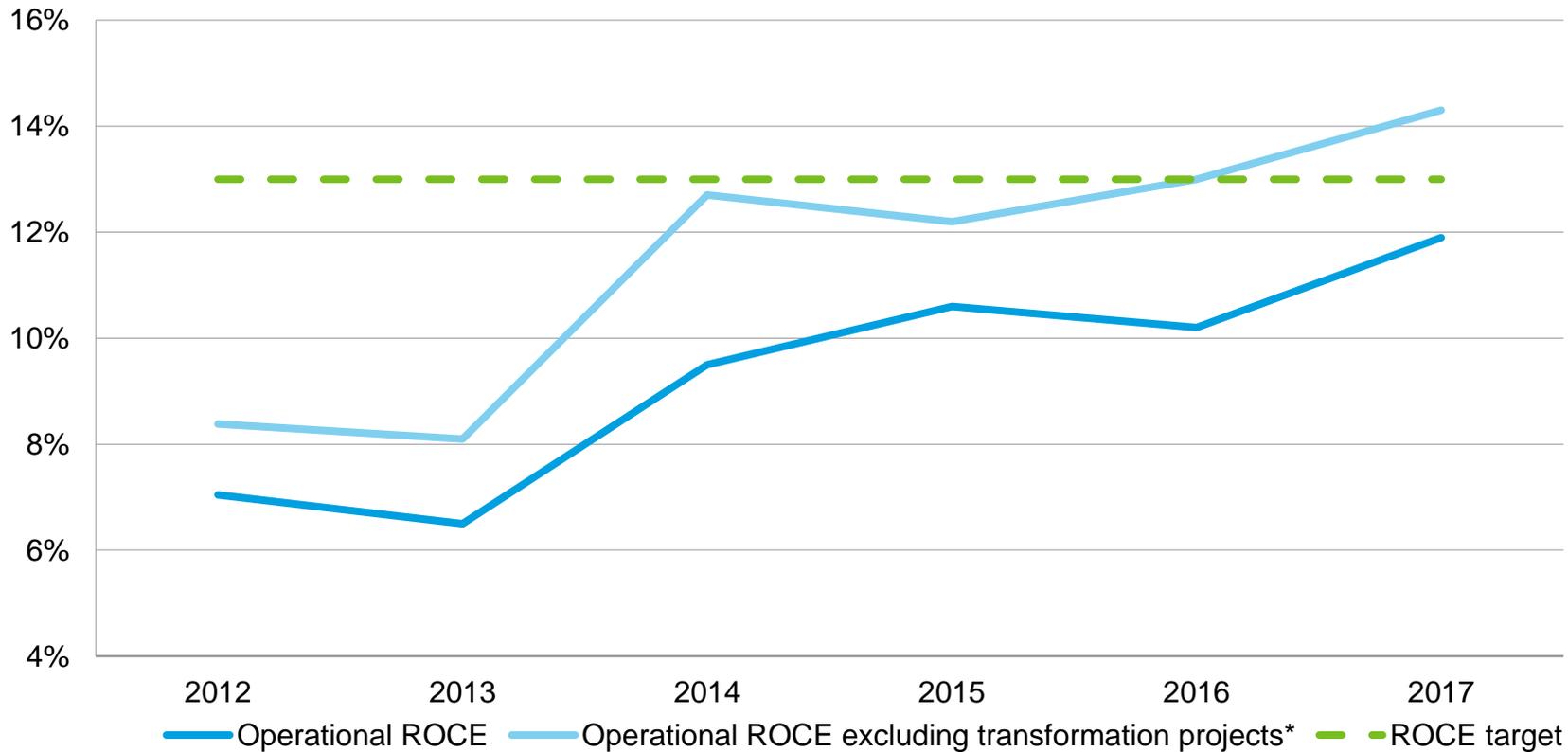


- Sales EUR 10 045 million, growth of 2.5%
 - Increased 8.5% excluding paper business
 - Beihai consumer board mill ramp-up, Murów sawmill, Varkaus laminated veneer lumber (LVL) and kraftliner mills, higher pulp production output
- Operational EBIT EUR 1 004 million increased by EUR 120 million
 - Higher volumes, higher sales prices and better mix
 - Net foreign exchange rates, higher variable and fixed cost and a negative impact on operational EBIT
- Operational EBIT margin 10.0%



Continuous improvement

2017: Operational ROCE 11.9%, excluding Beihai Mill project 14.3%



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

Transformation steps during 2017

Yet another active year



Ramp-up of new projects

- Beihai Mill
- Varkaus kraftliner
- Varkaus LVL
- Murów sawmill
- Ala pellet

Acquisitions

- Letter of intent aiming at structural changes in Bergvik Skog signed

Divestments and closures

- Kvarnsveden SC 100 kt PM closure
- Re-board business in Sweden
- Bulleh Shah Packaging
- Puumerkki, a wholesaler of wooden building materials in Finland
- Baienfurt sheeting centre in Germany

New investments CAPEX 350 MEUR*

Completed project in 2017:

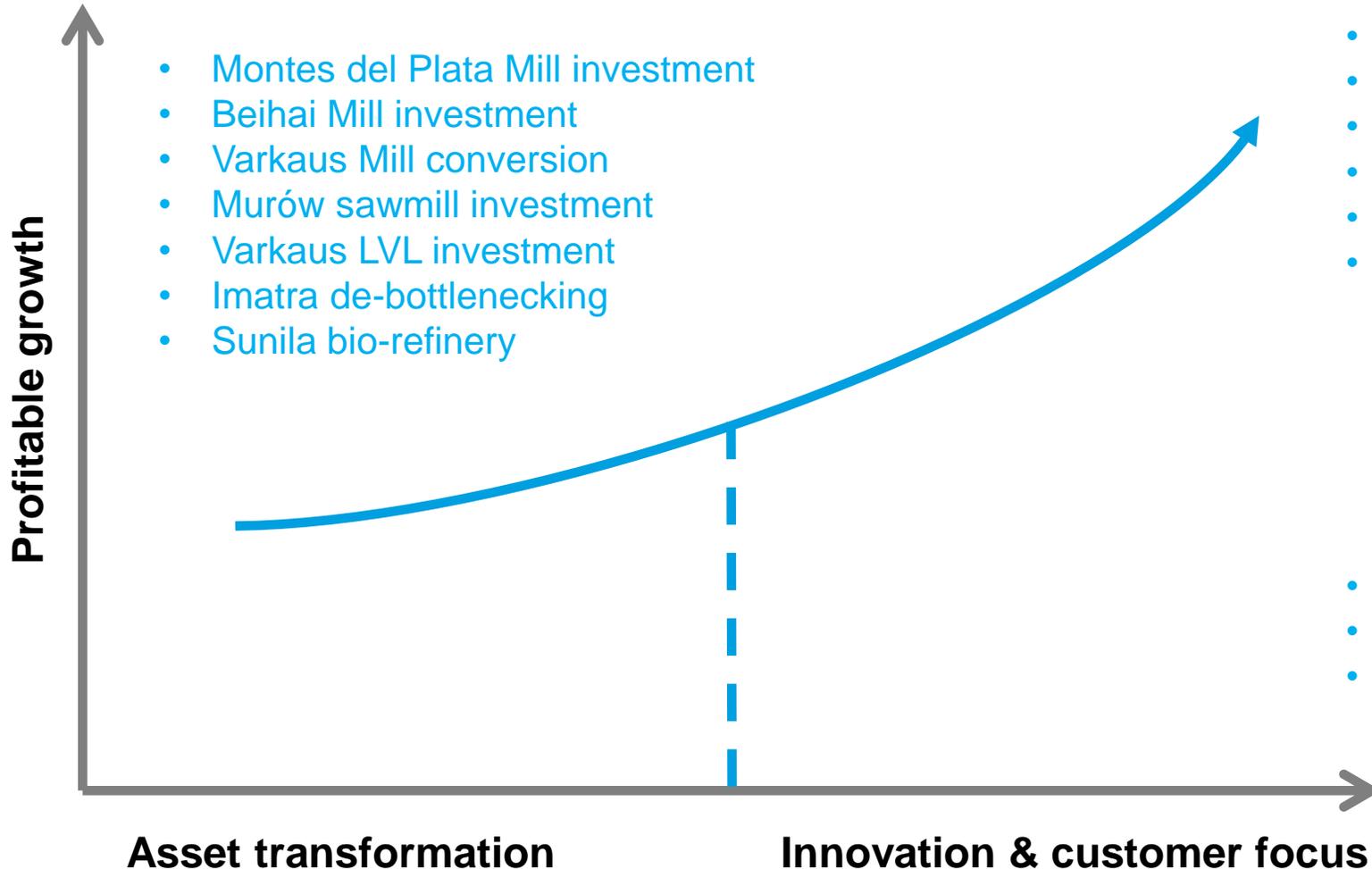
- Beihai PE coating line
- Imatra PE coating line and automated warehouse
- Skoghall chemical plant
- MFC Imatra and Fors

Ongoing projects:

- Skutskär fluff pulp
- Lahti corrugated packaging
- Heinola Fluting Mill capacity increase
- Hylte biocomposite granules
- Gruvön CLT production unit
- Tychy corrugated plant
- China Packaging capacity extension and technology
- Ingerois MFC
- Enocell dissolving pulp
- Imatra CTMP drying capacity

* Capex excluding maintenance capex

Improving sales and innovation



- Montes del Plata Mill investment
- Beihai Mill investment
- Varkaus Mill conversion
- Murów sawmill investment
- Varkaus LVL investment
- Imatra de-bottlenecking
- Sunila bio-refinery

- Innovation Centre Helsinki
- Innovation Centre Stockholm
- NXP and Rennovia JDA
- Launch of first MFC product
- Intelligent packaging
- Launches of:
 - Performa Brilliance by Stora Enso
 - CKB Nude by Stora Enso
 - Natura Life by Stora Enso
 - Fibre Cup
 - Multicopy Zero by Stora Enso
 - FlyoBrite by Stora Enso
 - Bio-based lignin Lineo™ by Stora Enso
- Biocomposites
- Product & Sales Management, S&OP, CRM
- Accelerator programme

These are our drivers for accelerating renewable growth



7% of our sales came from NEW products and services in 2017.

Our road to success in the bioeconomy

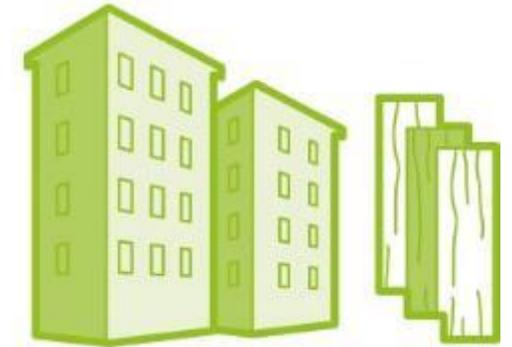
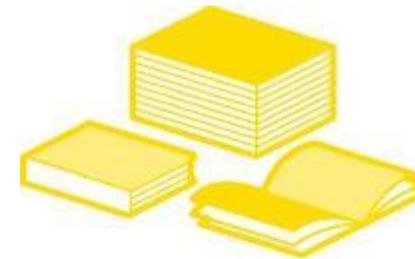
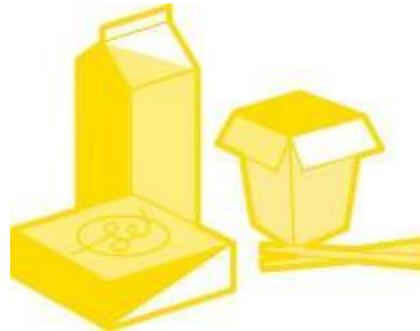
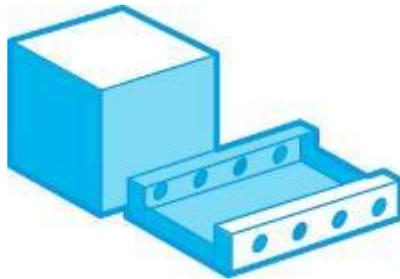


Introducing
new products
and services

Addressing
attractive
end-use
segments

Delivering
sustainable
profitable
growth

Generating
superior
ROCE



Strategic targets

Years 2014–2017



Group targets		2014	2015	2016	2017	Status
Dividend	To distribute 50% of net income over the cycle	EUR 0.30	EUR 0.33	EUR 0.37	EUR 0.41*	●
Growth**	To grow faster than the relevant market	0.9% (YoY)	4.6% (YoY)	3.1% (YoY)	8.5% (YoY)	●
Net debt to operational EBITDA	<3.0	2.3	2.2	1.9	1.4	●
Fixed costs to sales	<20%	25.1%	25.0%	25.3%	25.1%	●
Debt to equity	<80%	65%	60%	47%	38%	●
Operational ROCE	>13%	9.5%	10.6%	10.2%	11.9%	●
Operational ROCE excl. Beihai		12.7%***	12.2%	13.0%	14.3%	●

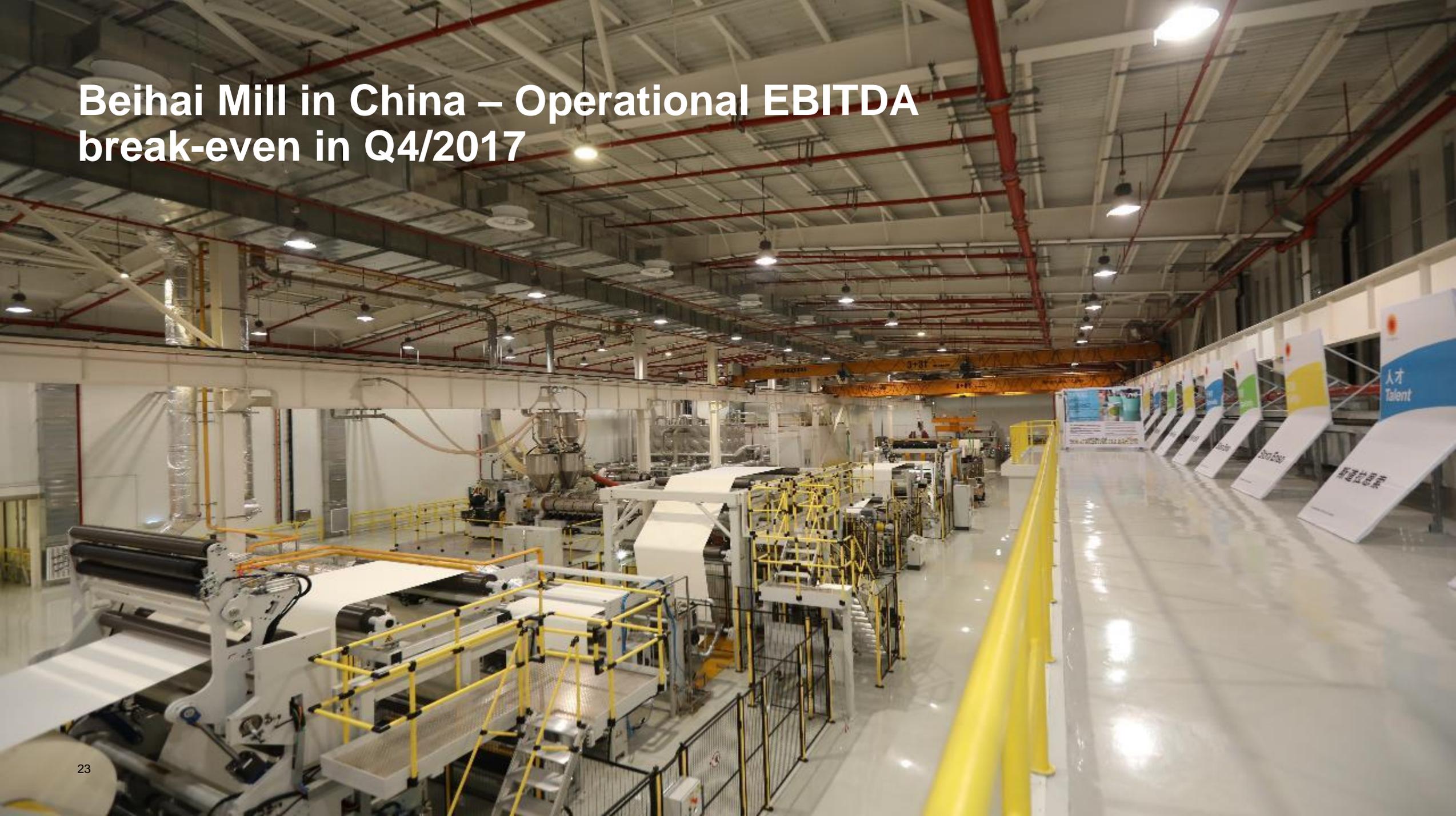
Divisional targets		2014	2015	2016	2017	Status
Consumer Board	Operational ROOC >20%	17.8%	15.5%	12.7%	14.6%	●
<i>Consumer Board excl. Beihai</i>		27.2%	29.7%	36.2%	36.7%	●
Packaging Solutions	Operational ROOC >20%	14.1%	11.1%	7.6%	19.6%	●
Biomaterials	Operational ROOC >15%	3.9%	12.4%	8.5%	10.5%	●
Wood Products	Operational ROOC >20% (18% for 2014–2016)	17.3%	15.7%	16.8%	20.5%	●
Paper	Cash flow after investing activities to sales >7%	6.2%	5.5%	8.5%	5.5%	●

* Dividend proposal

** Excluding Paper

*** Excluding also Montes del Plata investments

Beihai Mill in China – Operational EBITDA break-even in Q4/2017



Varkaus kraftliner mill in Finland – exceeded its designed capacity level and targeted profitability in Q4/2017



**Varkaus laminated veneer lumber (LVL) line
in Finland – ramping up**

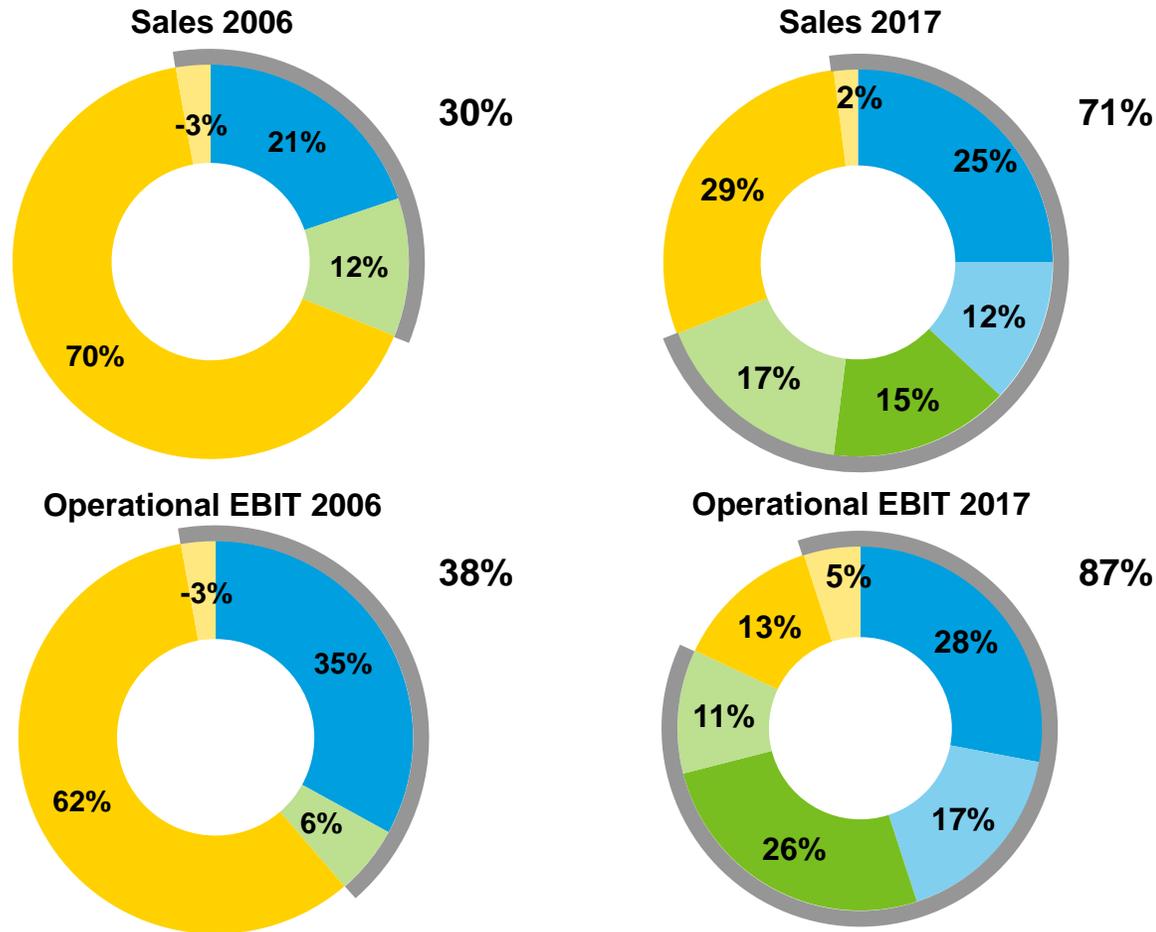


Murów sawmill in Poland – ramping up



Transformation journey continues

2017: Growth businesses 71% of sales and 87% of operational EBIT



- Consumer Board
- Packaging Solutions*
- Biomaterials
- Wood Products
- Paper**
- Other & eliminations

* In 2006 included in Consumer Board

** In 2006 includes merchants

Stora Enso as a taxpayer



EUR million in 2017	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	45	4	0	17	11	3	13	3	7	10	113
Employment taxes	90	86	12	1	11	5	10	12	3	3	16	249
Operational taxes	13	7	4	0	30	7	7	0	2	5	2	77
Total Taxes Borne	103	138	20	1	58	23	20	25	8	15	28	439
Taxes collected												
VAT & similar*	35	77	110	71	9	37	7	8	3	10	31	398
Payroll taxes	144	85	26	2	11	8	8	14	3	2	18	321
Other taxes	67	0	0	0	0	0	1	0	7	0	3	78
Total Taxes Collected	246	162	136	73	20	45	16	22	13	12	52	797
Total Taxes Paid	349	300	156	74	78	68	36	47	21	27	80	1 236

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

Creating a renewable future in the bioeconomy



In the bioeconomy, products based on wood fibres are replacing non-renewable materials.



Megatrends support our future.

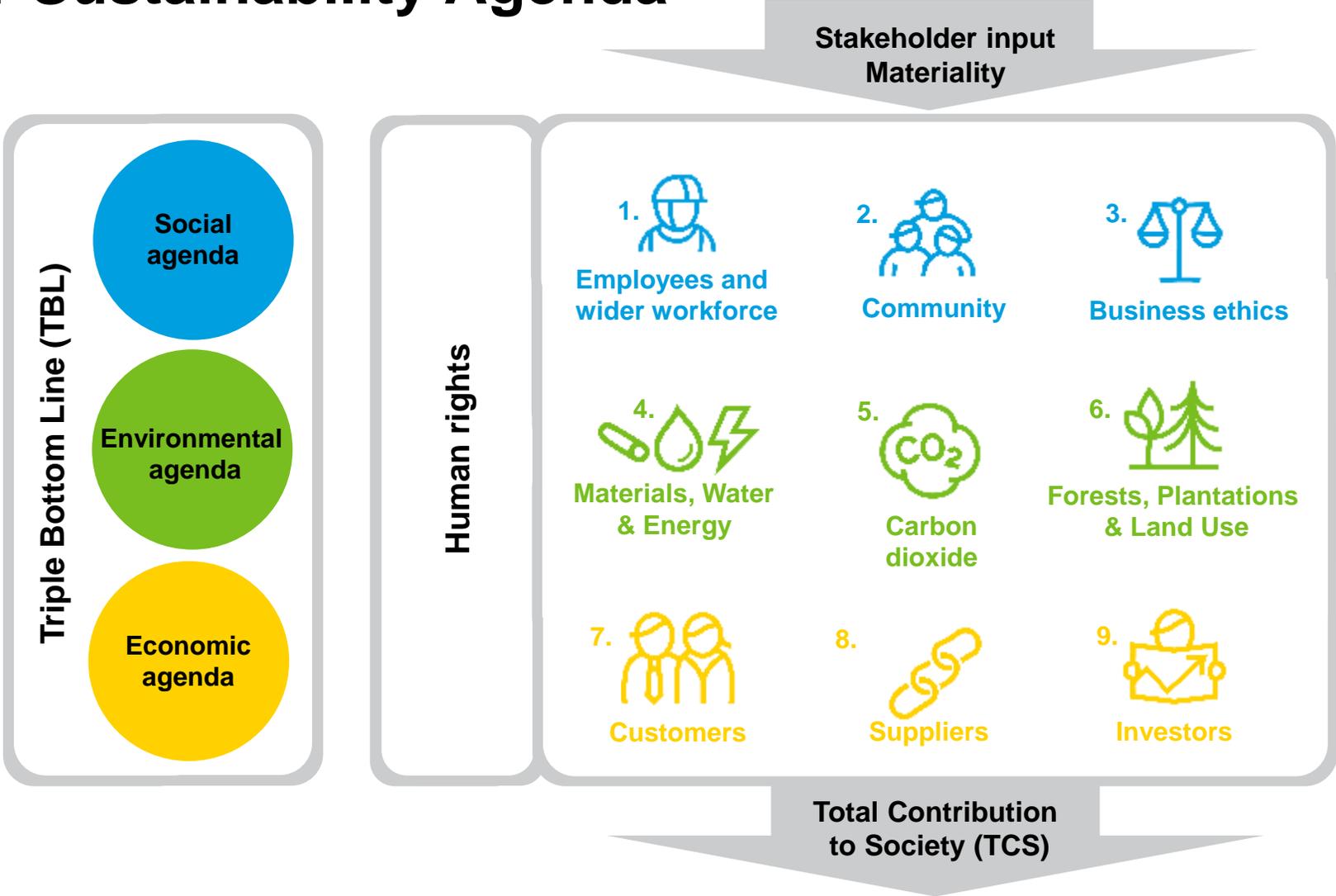
A collection of white line-art icons on a green background. From left to right: a city skyline, a globe, a group of three people, a recycling symbol with "CO2" inside, a stack of papers, and a plant with three leaves.

Video: Choose the climate, choose renewable materials

A person in a blue shirt is holding a white carton with the text "Now, you choose." printed on it. The scene is set in a kitchen with a yellow mug, a glass of orange juice, and a brown paper basket in the foreground.

Now, you
choose.

Our Sustainability Agenda



1. We care about all our people
2. We help communities be resilient
3. We play fair
4. We use natural resources with care
5. We combat global warming
6. We respect the local environment
7. We help customers be sustainable
8. We choose like-minded partners
9. We reward investors sustainably

Taking the lead to combat global warming

Setting ambitious reduction targets for greenhouse gas emissions



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

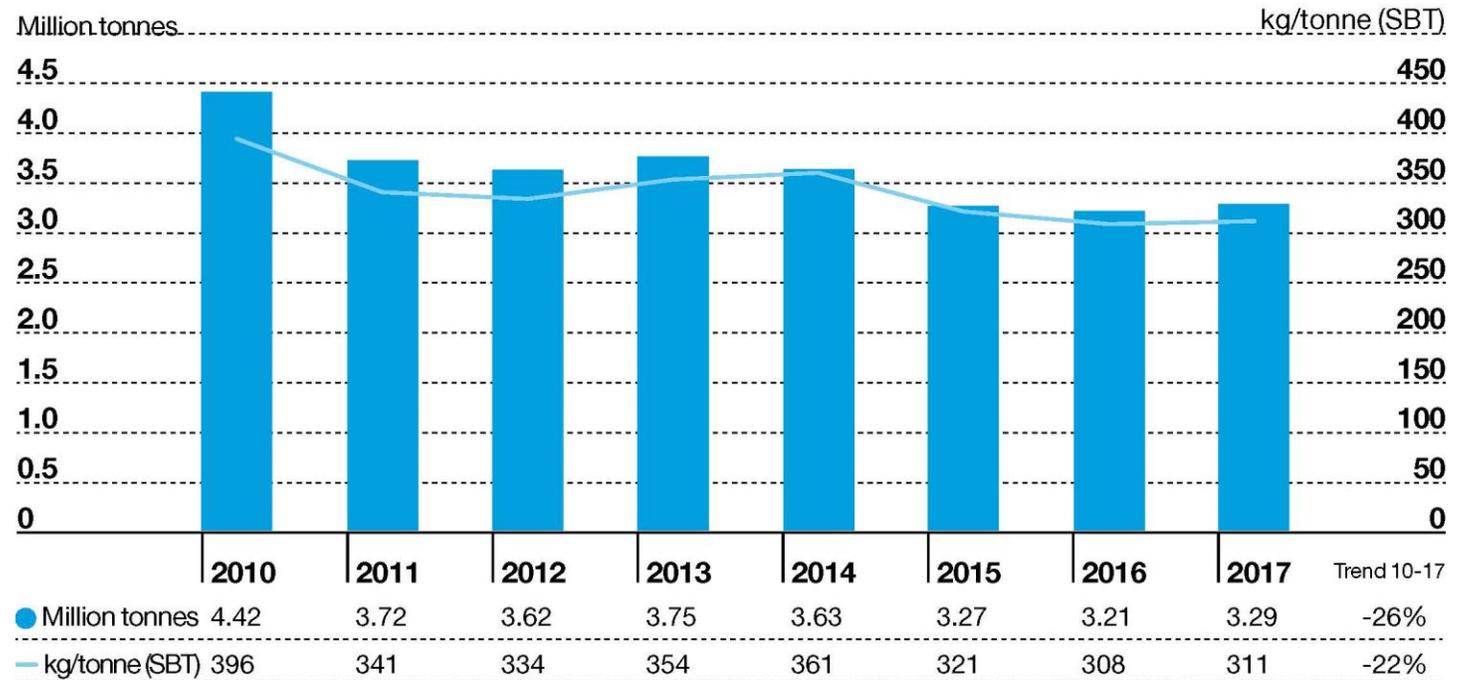
- Stora Enso is the **first forest products company** to have externally approved science-based targets (SBT) to reduce its greenhouse gas (GHG) emissions.
- **Targets for our operations**
 - Reducing GHG emissions from operations by **31%** per tonne of pulp, paper, and board produced by 2030, compared to a 2010 baseline.
- **Engagement targets for our suppliers**
 - 70% of our non-fibre suppliers in terms of spend to set GHG reduction targets.
- **Engagement targets for our customers**
 - Training our customer-facing staff on the advantages of setting science-based targets.

Science-based targets to reduce greenhouse gas emissions



We are reducing GHG emissions from operations by **31%** per tonne of pulp, paper, and board produced by 2030, compared to a 2010 baseline.

Science-based target (SBT) performance:
Greenhouse gas emissions in relation to production¹



¹ Covering direct and indirect fossil CO₂ (scope 1 and 2) emissions as well as CO₂-equivalents for methane (CH₄) and dinitrogenoxide (N₂O) emissions from pulp, paper, and board production units. Excluding joint operations. Normalised figures are reported per unit of sales production.

External recognitions and awards



Lineo™ by Stora Enso awarded Bio-Based Product of the Year



- Lineo™ by Stora Enso, a renewable replacement for oil-based phenolic materials, has been awarded 'Bio-Based Product of the Year' at the Bio-Based World News Innovation Awards 2018.
- The judges recognised the potential of Lineo, made from versatile wood-based raw material lignin. Lineo can be used in a range of applications where fossil-based materials are currently used.

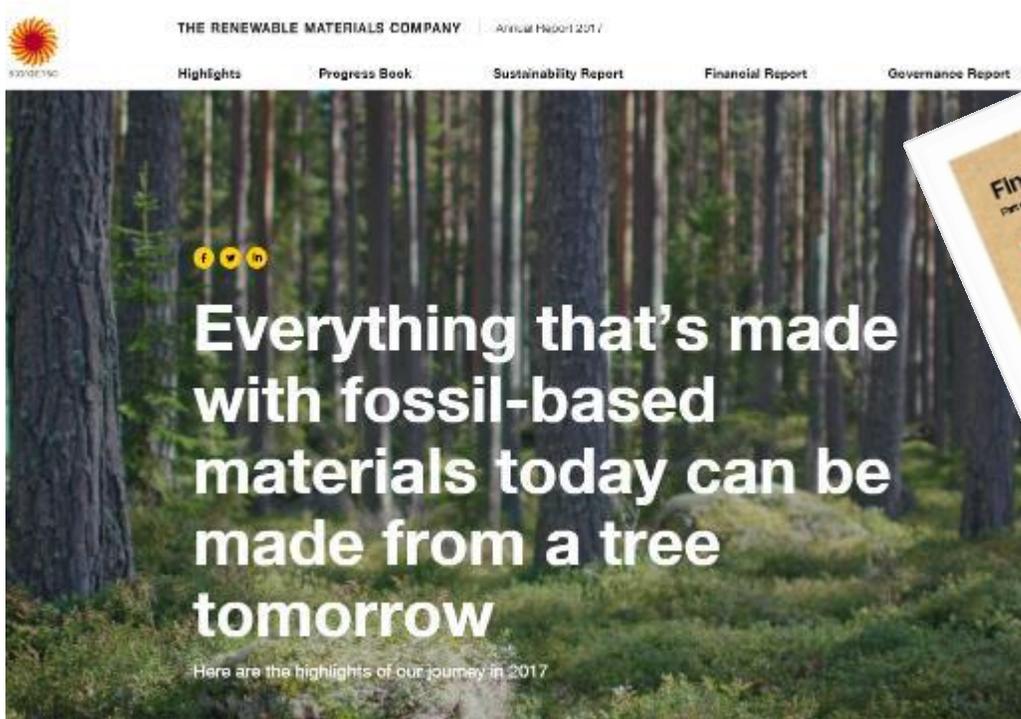


Group Leadership Team of Stora Enso



When you want to know more

Read our reports



storaenso.com/annualreport

Over EUR 10 billion sales

Over EUR 1 billion operational EBIT

Over 10% operational EBIT margin

Over EUR 10 billion sales

Over EUR 1 billion operational EBIT

Over 10% operational EBIT margin

Leader in combatting fossil-based materials



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THE RENEWABLE MATERIALS COMPANY

Auditor's report

Jukka Vattulainen,
Deloitte Oy



Auditor's opinion



In our opinion

- the consolidated financial statements give a true and fair view of the Group's financial performance and financial position in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Chief Executive Officer should be discharged from liability for the financial period audited by us.



Adoption of the annual accounts



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Dividend



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Dividend



The Parent Company distributable shareholders' equity on 31 December 2017 amounted to EUR 1 560 466 138.25, including the profit for the period of EUR 365 361 188.06.

The Board of Directors proposes to the AGM that a dividend of EUR 0.41 per share, total of no more than EUR 323 334 194.67 be paid to the shareholders of the Company.

Record date 3 April 2018

Payment date on or about 10 April 2018



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Discharge of the members of the Board of Directors and the CEO from liability



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Shareholders' Nomination Board Report Marcus Wallenberg, Chairman

Shareholders' Nomination Board in 2017–2018



Members

- Marcus Wallenberg (Chairman), Harri Sailas, Jorma Eloranta and Hans Stråberg. Prior to the AGM 2017, Gunnar Brock Chairman of the Board, acted as member of the Shareholders' Nomination Board and Kari Järvinen as member appointed by Solidium Oy and also as the Chairman of the Shareholders' Nomination Board.

Activity

- Convened 5 times, each member of the Shareholders' Nomination Board attended all meetings

Key action points

- Board members election preparations
- Board independence and annual evaluation review
- Board long-term succession planning

Annual remuneration



Board of Directors

Chairman	EUR 175 000
Vice Chairman	EUR 103 000
Members	EUR 72 000

It is proposed that the annual remuneration for the members of the Board of Directors be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading, and the rest in cash. The shares will be purchased within two weeks from the publication of the interim review for the period 1 January 2018 – 31 March 2018 or as soon as possible in accordance with applicable legislation.

In addition, annual remuneration shall be paid to members of the Board Committees as follows:

Financial and Audit Committee

Chairman	EUR 20 600
Members	EUR 14 400

Remuneration Committee

Chairman	EUR 10 300
Members	EUR 6 200

Sustainability and Ethics Committee

Chairman	EUR 10 300
Members	EUR 6 200

Composition of the Board of Directors

It is proposed that the Board of Directors shall have 9 members



Jorma Eloranta, proposed Chairman

- Chairman of Stora Enso's Board of Directors since April 2017, Vice Chairman April 2016 – April 2017. Independent of the company and the significant shareholders.
- Born 1951. M.Sc. (Tech.), D. Sc. (Tech.) h.c



Hans Stråberg, proposed Vice Chairman

- Vice Chairman of Stora Enso's Board of Directors since April 2017, member since April 2009. Independent of the company and the significant shareholders.
- Born 1957. M.Sc. (Eng.)



Anne Brunila

- Member of Stora Enso's Board of Directors since April 2013. Independent of the company and the significant shareholders.
- Born 1957. D.Sc. (Econ.)



Elisabeth Fleuriot

- Member of Stora Enso's Board of Directors since April 2013. Independent of the company and the significant shareholders.
- Born 1956. M.Sc. (Econ.)



Hock Goh

- Member of Stora Enso's Board of Directors since April 2012. Independent of the company and the significant shareholders.
- Born 1955. B. Eng (Hons) in Mechanical Engineering



Christiane Kuehne

- Member of Stora Enso's Board of Directors since April 2017. Independent of the company and the significant shareholders.
- Born 1955. LL.M., B.B.A



Richard Nilsson

- Member of Stora Enso's Board of Directors since April 2014. Independent of the company but not of its significant shareholders due to his employment at FAM AB.
- Born 1970. B.Sc. (BA and Econ.)



Göran Sandberg

- Member of Stora Enso's Board of Directors since April 2017. Independent of the company but not of its significant shareholders due to his position as executive director of majority shareholders of FAM AB.
- Born 1955. Ph.D.



Proposed new member: Antti Mäkinen

- CEO of Solidium Oy

New proposed member of the Board of Directors



Antti Mäkinen

- Born 1961
- LL.M.
- Strong business background in the banking and financial sector and since May 2017 acts as the CEO of Solidium Oy. Previous working experience includes several leading management positions within Nordea Corporate & Investment Banking, most notably as Head of Corporate Finance in Finland, Head of Strategic Coverage unit and as Co-Head for Corporate & Investment Banking, Finland (2010–2017). Prior to this Mäkinen acted as CEO of eQ Corporation and its main subsidiary eQ Bank Ltd. (2005–2009).
- Board member of Rake Oy and acts as chairman or a member of the shareholders' nomination boards of several listed companies.
- Independent of the Company, but not independent of the Company's significant shareholders due to his position as the CEO of Solidium Oy.





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THE RENEWABLE MATERIALS COMPANY

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Number of members of the Board of Directors

Election of Chairman, Vice Chairman and other members of the Board of Directors



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Composition of the Board of Directors



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- Born 1970. B.Sc. (BA and Econ.)



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- Born 1955. Ph.D.



Proposed new member: Antti Mäkinen

- CEO of Solidium Oy



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THE RENEWABLE MATERIALS COMPANY

Auditor's fees and election of auditor

Richard Nilsson, Chairman of
Financial & Audit Committee

Auditor's fees



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Election of Auditor



The Board of Directors proposes to the AGM that PricewaterhouseCoopers Oy be elected as auditor of the Company until the end of the following AGM.

PricewaterhouseCoopers Oy has notified the company that in the event it will be elected as auditor, Samuli Perälä, APA, will act as the responsible auditor.



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It should be noted that Stora Enso and its business are exposed to various risks and uncertainties and 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. 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. All statements are based on management’s best assumptions and beliefs in light of the information currently available to it and Stora Enso assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.