

PROSPECTUS



STORA ENSO OYJ

(incorporated with limited liability in Finland)

Euro 4,000,000,000 Euro Medium Term Note Programme

Enso-Gutzeit Oy was the Issuer under the U.S.\$300,000,000 Euro Medium Term Note Programme (the "Programme"), which has subsequently been updated, most recently on the date of this Prospectus (the "Prospectus"). With effect from 1 May 1996, Enso-Gutzeit Oy and Veitsiluoto Oy merged to form Enso Oy and increased the Programme to U.S.\$1,000,000,000. With effect from 23 December 1998, Enso Oy, acquired, through a public offer, Stora Kopparbergs Bergslags Aktiebolag (publ) ("Stora") and subsequently changed its name to Stora Enso Oy. With effect from 4 May 2000 Stora Enso Oy increased the Programme to Euro 2,000,000,000 and from 10 May 2001 to Euro 3,000,000,000 and from the 30 May 2002 to Euro 4,000,000,000. Any Notes (as defined below) issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under this Euro 4,000,000,000 Euro Medium Term Note Programme, Stora Enso Oy (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency as agreed between the Issuer and the relevant Dealer (as defined below). This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended by the directive 2010/73/EU (the "**Prospectus Directive**"). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed Euro 4,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, to approve this document as a base prospectus. The CSSF gives no undertaking as to the economic and financial opportunities of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with provisions of Article 7(7) of the Luxembourg Act dated 10 July 2005 on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. Under Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, prospectuses relating to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of part II of that Act.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set forth in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on the Official List of the Luxembourg Stock Exchange will be filed with the CSSF.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche will initially be represented by a Temporary Global Note or, if so specified in the applicable Final Terms, a Permanent Global Note (each as defined under "*Form of the Notes*") which will be deposited on the issue date thereof with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and

Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other agreed clearance system. A Temporary Global Note will be exchangeable, as specified in the applicable Final Terms, for either a Permanent Global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. A Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances, as further described in "*Form of the Notes*" below.

The Programme has been rated Ba2 by Moody's Deutschland GmbH ("**Moody's**") and BB by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"). Moody's and Standard & Poor's (the "**Rating Agencies**") are established in the European Economic Area ("**EEA**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). The Rating Agencies are included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Prospectus. This list is available on the ESMA website at www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 12 December 2014). According to Moody's rating system, the Ba2 rating indicates that the obligations are judged to have speculative elements and are subject to substantial credit risk. According to S&P rating system, the BB rating indicates that the Issuer is less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Any person (an "**Investor**") intending to acquire or acquiring any Notes from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each Member State of the European Economic Area in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

Arranger
Citigroup

Dealers

Barclays
Crédit Agricole CIB
DnB
HSBC
Nordea
SEB
The Royal Bank of Scotland

BNP PARIBAS
Deutsche Bank
Goldman Sachs International
J.P. Morgan
Pohjola Bank plc
Standard Chartered Bank

The date of this Prospectus is 25 March 2015

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all of the Elements required to be included in a summary for these types of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable".

Section A – Introduction and Warnings	
A.1	<p>Introduction:</p> <p><i>Warning that:</i></p> <ul style="list-style-type: none"> • <i>this summary should be read as an introduction to the Prospectus;</i> • <i>any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;</i> • <i>where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</i> • <i>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</i>
A.2	<p>Consent:</p> <p><i>[The Issuer consents to the use of this Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis:</i></p> <p>(a) <i>the relevant Public Offer must occur during the period from and including [•] to but excluding [•](the "Offer Period");</i></p> <p>(b) <i>the relevant Authorised Offeror must satisfy the following conditions: [•].</i></p> <p><i>[The Issuer consents to the use of this Prospectus in connection with a Public Offer of the Notes by [•] on the following basis:</i></p> <p>(a) <i>the relevant Public Offer must occur during the period from and including [•] to but excluding [•](the "Offer Period");</i></p> <p>(b) <i>the relevant Authorised Offeror must satisfy the following conditions: [•].</i></p>

		An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer").
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Section B – Issuer																							
B.1	Legal name of the Issuer: Commercial name of the Issuer:	Stora Enso Oyj ("Stora Enso"). Stora Enso.																					
B.2	Domicile, legal form, legislation and country of incorporation of the Issuer:	Stora Enso is a public limited liability company and was incorporated in the Republic of Finland for an unlimited duration under the Finnish Companies Act and is domiciled in the City of Helsinki.																					
B.4b	Trends:	Not applicable. There are no particular trends affecting Stora Enso.																					
B.5	The Group:	Stora Enso together with its subsidiaries (the " Group ") is a leading provider of renewable solutions in packaging, biomaterials, wood and paper on global markets. The Company's goal is to replace non-renewable materials by innovating and developing new products and services based on wood and other renewable materials. Stora Enso's focus is on fibre-based packaging, plantation-based pulp, innovations in biomaterials and sustainable building solutions, and its customers include packaging, joinery and construction industries as well as publishers, printing houses and paper merchants. The Group's sales totalled €0.2 billion in 2014, with an operating profit of €400 million. As at 31 December 2014, it had 27,200 employees and an annual production capacity of 5.6 million tonnes of chemical pulp, 11.3 million tonnes of paper and board, 1.3 billion square metres of corrugated packaging and 5.6 million cubic metres of sawn wood products, including 2.8 million cubic metres of value-added products.																					
B.9	Profit Forecast:	Not applicable. The Issuer does not make a profit forecast.																					
B.10	Audit Report Qualifications:	Not applicable. There are no qualifications to the audit reports of the Issuer.																					
B.12	Selected Key Financial Information:	<p>The following information comprises an overview of consolidated financial information of the Issuer for the financial years ended 31 December 2013 and 31 December 2014:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="text-align: center; font-weight: normal;">As at and for the Year Ended 31 December</th> </tr> <tr> <th style="text-align: left;"><i>(€ million, except for earnings per share)</i></th> <th style="text-align: center; font-weight: normal;">2014</th> <th style="text-align: center; font-weight: normal;">2013</th> </tr> <tr> <th></th> <th style="text-align: center; font-weight: normal;">(audited)</th> <th style="text-align: center; font-weight: normal;">(unaudited) ⁽¹⁾</th> </tr> </thead> <tbody> <tr> <td colspan="3">INCOME STATEMENT DATA</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">10,213</td> <td style="text-align: right;">10,563</td> </tr> <tr> <td>Operating profit</td> <td style="text-align: right;">400</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Net Loss/Profit for the year</td> <td style="text-align: right;">90</td> <td style="text-align: right;">(71)</td> </tr> </tbody> </table>		As at and for the Year Ended 31 December		<i>(€ million, except for earnings per share)</i>	2014	2013		(audited)	(unaudited) ⁽¹⁾	INCOME STATEMENT DATA			Sales	10,213	10,563	Operating profit	400	50	Net Loss/Profit for the year	90	(71)
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		Attributable to: Owners of the parent 99 (53) Non-controlling interests (9) (18) Earnings per Share Basic and diluted earnings per share, € 0.13 (0.07)
		FINANCIAL POSITION DATA Non-current assets 8,432 8,219 Current assets 4,415 5,233 Total assets 12,847 13,452 Equity attributable to owners of the parent 5,070 5,213 Non-current liabilities 4,483 5,042 Current liabilities 3,127 3,137 Total equity and liabilities 12,847 13,452 (1) Financial information for the comparative year 2013 has been restated due to the adoption of the new IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities as of 1 January 2014. For further details, see the Financial Report for the year ended 31 December 2014, which has been incorporated by reference into the Prospectus. Not applicable. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2014. There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.
B.13	Recent Events:	Not applicable. There have been no recent events which the Issuer considers material to its solvency since the publication of the Issuer's annual report for the financial year ended 31 December 2014.
B.14	Dependence upon other entities within the Group:	See B.5. Not applicable for the Issuer. The Issuer is not dependent on other entities.
B.15	The Issuer's Principal Activities:	<p>Stora Enso made certain revisions to its organisational structure in 2014. As of 1 September 2014, the Printing and Living Division was divided into two separate Divisions: Printing and Reading, and Building and Living. The Global Identity function was split into two entities: Global Communications and Global Responsibility. On 18 December 2014, Stora Enso announced a new organisational structure for the Renewable Packaging division. The division was split into two: Consumer Board and Packaging Solutions. Both new divisions became separate reporting segments as of 1 January 2015. The names of the Building and Living division and Printing and Reading division were changed to Wood Products and Paper, respectively.</p> <p>As of 1 January 2015, Stora Enso's reporting segments are: Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. Stora Enso's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper.</p> <p>Stora Enso's Consumer Board Division is a global provider of high-quality boards for printing and packaging applications. Consumer Board products cover all major board categories and end-uses, such as liquid packaging boards, food service boards, graphical boards and carton boards for packaging cosmetics and luxury products, beverages, chocolates and confectionery, pharmaceuticals and cigarettes. Consumer Board operates five mills in Finland, Sweden and Spain. It is also expanding in growth markets such as China, India and Pakistan to meet the rising demand in these markets.</p>

		<p>Stora Enso's Packaging Solutions Division offers fibre-based packaging materials and innovative packaging solutions for consumer goods and industrial applications. Packaging Solutions operates in every stage of the value chain, from pulp production, material and packaging production to recycling. The container board mills are located in Finland and Poland, and the converting plants in ten countries in Europe and Asia.</p> <p>Stora Enso's Biomaterials Division develops new ways to maximise the value extractable from wood as well as other kinds of lignocellulosic biomasses. Sugars and lignin have the potential to be used in applications in the specialty chemical, construction, personal care and food industries. In addition, Biomaterials offers a variety of pulp grades to meet the demands of paper, board and tissue textile and hygiene product producers. Pulp is made from renewable resources in a sustainable manner, and has many different uses.</p> <p>Stora Enso's Wood Products Division provides wood-based products and solutions for construction, 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. Wood Products operates globally and has more than 20 production units in Europe.</p> <p>Stora Enso's Paper Division is a supplier of paper from renewable sources for print media and office use. The main customer groups include publishers, retailers, printing houses, merchants, converters and office suppliers. Paper produces newsprint, book paper, super calendered (SC) paper, coated paper and office paper. The mills are located mainly in Europe, but also in Brazil and China. Three of the 16 mills produce paper based on 100 per cent. recycled fibre.</p> <p>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.</p>
B.16	Ownership and Control of the Issuer:	As at 31 December 2014, the two largest shareholders of the Company were the Swedish Foundation Asset Management (10.2) per cent. of shares and 27.2 per cent. of votes) and Solidium Oy (12.3 per cent. of shares and 25.1 per cent. of votes).
B.17	Ratings assigned to the Issuer or its Debt Securities:	As at the date of this Prospectus, the Issuer has a long term debt rating of Ba2 from Moody's Deutschland GmbH (" Moody's ") and BB from Standard & Poor's Credit Market Services Europe Limited (" Standard & Poor's "). Notes issued under the programme have been rated Ba2 from Moody's and BB from Standard & Poor's. Moody's and Standard & Poor's (the " Rating Agencies ") are established in the European Economic Area and registered under Regulation (EU) No 1060/2009, as amended (the " CRA Regulation ").

Section C – Securities		
C.1	A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number	<p>The Notes are [£/€U.S.\$/other] [•] [[•] per cent./Floating Rate/Zero coupon/] Notes due [•].</p> <p>International Securities Identification Number (ISIN): [•]</p>
C.2	Currency of the Securities Issue:	<p>Notes may be denominated in Euro, pounds sterling, U.S. dollars, Japanese yen and, subject to any applicable legal or regulatory restrictions, any other currency as may be agreed between the Issuer and the relevant Dealer.</p> <p><i>[The Notes are denominated in [•].]</i></p>
C.5	Restrictions on Free Transferability:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes.</p> <p>The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.</p> <p>In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each dealer appointed in relation to the Programme (each a "Dealer") has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State except with the consent of the Issuer given in accordance with Element A.2 above.</p>
		<p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.</p> <p>The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of</p>

		<p>Japan.</p> <p>Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam by NYSE Euronext in full compliance with the Dutch Savings Certificates Act (<i>Wet inzake spaarbewijzen</i>) of 21 May 1985 (as amended) and its implementing regulations.</p>
C.8	The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:	<p><i>Negative Pledge:</i> The Notes will have the benefit of a negative pledge in respect of any obligation assured by the Issuer or a principal subsidiary of the Issuer which is in the form of bonds, notes, debentures, loan stock or any other type of security which is, or is capable of being, listed, quoted or traded on any stock exchange with the proviso that the Notes will not have the benefit of the negative pledge if more than 50 per cent. of the relevant Tranche or Series is initially offered to persons resident in Finland.</p> <p><i>Status of the Notes:</i> The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><i>Limitations:</i> Not applicable. The rights described above apply to all Noteholders equally.</p>
C.9	The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:	<p>See C.8 for a description of the rights attaching to the Notes, ranking and limitations.</p> <p><i>Interest:</i> Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.</p> <p><i>[Interest: The Notes bear interest from [•] at a fixed rate of [•] per cent. per annum payable in arrear on [•].]</i></p>

	<p><i>[Interest: The Notes bear interest from [•] at a rate equal to the floating rate that would be determined under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.]/[sum of [•] per cent. per annum and [period]/[currency]][EURIBOR/LIBOR/STIBOR] determined in respect of each Interest Period on the day which is [[•] [London business days] before] the first day of the Interest Period and payable in arrear on [•]. [EURIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation]/[LIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration]/[STIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ OMX Stockholm) in accordance with the requirements from time to time of the Swedish Bankers' Association.]</i></p> <p><i>[Interest: The Notes do not bear interest.]</i></p> <p><i>Maturities:</i> Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.</p> <p><i>[Maturity Date: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [•].]</i></p> <p><i>Redemption:</i> Payments of principal shall be made only against presentation and surrender of Notes at the Specified Office of any Paying Agent outside the United States. The Notes will be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount.</p> <p><i>[Final Redemption Amount: Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at [•] per cent. of its nominal amount.]</i></p>
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		<p><i>Optional Redemption:</i> Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders.</p> <p><i>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [•] at [[•]/a make-whole amount], plus accrued interest (if any) to such date, on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders.]</i></p> <p><i>[Redemption at the Option of the Noteholders: The Issuer shall, at the option of the holder of any Note redeem such Note on [•] at [•] together with interest (if any) accrued to such date, on the Noteholders giving not less than 15 nor more than 30 days' notice to the Issuer.]</i></p> <p><i>Tax Redemption:</i> Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the country of Finland.</p> <p><i>Yield:</i> The yield of each Tranche of Fixed Rate Notes will be calculated on an annual or semi-annual basis using the relevant Issue Price at the relevant Issue Date.</p> <p><i>[Yield: Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.]</i></p> <p><i>Representative of the Noteholders:</i> Not applicable as the Fiscal Agent is the agent of the Issuer and there is no representative of Noteholders.</p>
C.10	Derivative Components in interest payment:	See C.9. Not applicable. Payments of interest on the Notes shall not involve any derivative component.
C.11 C.21	Admission to trading of the Notes on a regulated market:	<p>Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to trading on the regulated market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.</p> <p><i>[Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.]</i></p> <p><i>[Application has been made for the Notes to be admitted to trading and/or quotation by [•].]</i></p> <p><i>[Not applicable, the Issuer does not intend to make any application for the Notes to be admitted to trading and/or quotation by any competent authority, stock exchange and/or quotation system.]</i></p>

Section D - Risks		
D.2	Risks Specific to the Issuer:	<ul style="list-style-type: none"> • Risk Factors Relating to Current Macroeconomic Conditions <ul style="list-style-type: none"> - Slower than expected recovery of the economy or any further deterioration in the economy could have a material adverse effect on our business, financial condition or results of operations. • Risk Factors Relating to Our Business <ul style="list-style-type: none"> - Changes in consumer behaviour and new technologies may have an adverse effect on demand for our products and our profitability, especially in printed media. - Competition in the paper, packaging and wood products industries is intense and measures taken by national governments or the EU may distort competition in these industries. - We may not be able to successfully implement our cost reduction and efficiency improvement measures. - Changes in raw material and energy costs affect our profitability. - We may not be able to realise some or all of the anticipated benefits of our strategic investment in China or there may be delays and unexpected higher costs or other difficulties in realising such benefits. - The failure to make successful mergers and acquisitions could and divestments have a negative impact on our competitiveness. Additional acquisitions may also expose us to new liabilities. - Exchange rate fluctuations may have a material adverse effect on our business, financial condition or results of operations. - We may not be able to realise the anticipated benefits of our strategic plans. - Availability of fibre may have an impact on the prices paid by us for this key raw material or alter manufacturing operations. - We may face high costs for compliance with and remediation activities under environmental laws and regulations, which would reduce profit margins and earnings. - Future impairments and restructuring costs may have a material adverse effect on our business, financial condition or results of operations.

		<ul style="list-style-type: none"> - The value of our investments may be adversely affected by political, economic and legal developments in the countries concerned. - Certain of our operations are carried out in joint ventures over which we share control. - Risks related to our tree plantations and forests. - Climate change risks. - We maintain a diverse and broad customer base as part of our sales approach; the loss of one or more of our major customers could have a material adverse effect on our business, financial condition or results of operations. - We rely on outside suppliers and subcontractors and are therefore susceptible to disruptions in our supply chain. - A few significant shareholders may influence or control the direction of our business. - A significant portion of our employees and our suppliers' employees are members of labour unions and we may face labour disruptions that could interfere with our operations and have a material adverse effect on our business, financial condition or results of operations. - Valuations of our financial assets and liabilities could have a material adverse effect on our business, financial condition or results of operations. - We are a subject to class-action lawsuits in the United States concerning alleged anticompetitive conduct. - Reduced levels of capital expenditure may have an adverse effect on our business, financial condition or results of operations. - We depend on technology and advanced information systems that may fail or be subject to disruptions. - We may not be able to attract and retain key officers, managers or other key personnel, which could have an adverse effect on our business, financial condition or results of operations. - A fire, accident or other calamity at our manufacturing facilities could have a material adverse effect on our business, financial condition or results of operations. <ul style="list-style-type: none"> • <i>Reputational Risk</i> <ul style="list-style-type: none"> - Our governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud, both at operating subsidiaries and joint ventures.
		<ul style="list-style-type: none"> - We may be subject to product safety claims. <ul style="list-style-type: none"> • <i>Social Risks</i>

		<ul style="list-style-type: none"> • <i>Risks Related to Financing</i> <ul style="list-style-type: none"> - We could encounter difficulty in financing our operations, including the investments that are necessary to achieve our strategic plans. - We are exposed to interest rate risk on our floating rate debt. - Any downgrade in our credit ratings could adversely affect the availability of new financing and increase our cost of capital.
D.3	Risks Specific to the Notes:	<ul style="list-style-type: none"> • <i>Notes subject to optional redemption by the Issuer</i> – An optional redemption feature is likely to limit the market value of the Notes. • <i>Notes issued at a substantial discount or premium</i> – The market value of Notes of this type tends to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. • <i>Fixed Rate Notes</i> – Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index or reference rate and if interest rates rise, the then income payable on such Notes might become less attractive. • <i>Floating Rate Notes</i> – Floating Rate Notes bear interest by reference to an underlying reference rate which is variable. Investors are not able to determine a yield for Floating Rate Notes at the time of purchase and the return on investment cannot be compared with that of investments which have fixed interest periods. • <i>Fixed/Floating Rate Notes</i> – An issuer's ability to convert from a floating to a fixed rate or from a fixed to a floating rate such Notes will affect the secondary market and the market value of such Notes. • <i>Partly-paid Notes</i> – The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment. • <i>Inverse Floating Rate Notes</i> – Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).
		<ul style="list-style-type: none"> • <i>Modification</i> – The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Section E - Offer		
E.2b	Reasons for the Offer and Use of Proceeds:	The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for its general corporate purposes.
E.3	Terms and Conditions of the Offer:	<p>Notes may be issued at any price and on a fully paid basis. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. Notes will only be offered and sold to investors in compliance with the requirements of element C.5.</p> <p><i>[Offer Price:]</i> <i>[Issue Price/Not applicable/specify]</i></p> <p><i>[Conditions to which the offer is subject:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Time Period, including any possible amendments, during which the offer will be open]</i> <i>[Not applicable/give details]</i></p> <p><i>[Description of the application process:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Details of the minimum and/or maximum amount of application:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Details of the method and time limits for paying up and delivering the Notes:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Manner in and date on which results of the offer are to be made public:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]</i> <i>[Not applicable/give details]</i></p>
		<p><i>[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Name(s) and address(es), to the extent known to the Issuer, of the placers]</i> <i>[None/give details]</i></p>

E.4	Interests Material to the Issue/offer:	<p>[A description of any interest that is material to the issue/offer including conflicting interests.]</p> <p>The Issuer has appointed Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, DnB Bank ASA, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Nordea Bank Danmark A/S, Pohjola Bank plc, Skandinaviska Enskilda Banken AB (publ), Standard Chartered Bank, The Royal Bank of Scotland plc, and any other Dealer appointed from time to time (the "Dealers") as Dealers for the Programme. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealer Agreement made between the Issuer and the Dealers.</p> <p>[Syndicated Issue: The Issuer has appointed [•],[•] and [•] (the "Managers") as Managers of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Managers are set out in the Subscription Agreement made between the Issuer and the Managers]</p> <p>[Non-Syndicated Issue: The Issuer has appointed [•] (the "Dealer") as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Dealer are set out in the Dealer Agreement made between, amongst others, the Issuer and the Dealer.]</p>
E.7	Estimated Expenses charged to the Investor:	<p>No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Notes. Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.</p>

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the risks described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

In this section "Risk Factors Relating to our Business" the terms "we", "us" and "our" refer to Stora Enso Oyj or Stora Enso Oyj and its subsidiaries and associates, as the context may require.

Risk Factors Relating to Current Macroeconomic Conditions

Slower than expected recovery of the economy or any further deterioration in the economy could have a material adverse effect on our business, financial condition or results of operations.

Demand for our products is primarily driven by demand for our customers' end-products such as newspapers, magazines, industrial and consumer packaging and wood products. Economic downturns characterised by declines in consumer and government spending, advertising, business investment or construction activity typically result in decreased demand for our products. In 2014, the uncertain economic environment caused by the global economic downturn in 2008 and 2009 continued in Europe with high unemployment and low growth throughout many European countries. Furthermore, the events in Crimea and Ukraine have increased political risks particularly in the Eastern Europe and a potential expansion or escalation of the conflict between Ukraine and Russia may further increase uncertainty in the economic environment. The economic environment in the United States, Japan and in certain emerging market economies strengthened. In addition, a turmoil in the capital and credit markets may result in decreased availability of credit, which could have an adverse effect on the world economy and consequently on the markets for our products. Adverse global economic conditions may also result in further direct or indirect government support for certain participants in the countries in which we or our competitors operate that could distort competition in the market and require companies not benefiting from such support to curtail capacity and take other measures to remain competitive. In addition, the current world economy is based on excess liquidity which may cause volatility and instability in emerging markets. These conditions are beyond our control and our management is not in a position to reliably estimate their effects on us. A slower than expected recovery of the economy or any further deterioration in the economy could have a material adverse effect on our business, financial condition or results of operations. See also "*Risk Factors Relating to Our Business – Product prices as well as volume and demand for products in our industry are cyclical*" below.

Risk Factors Relating to Our Business

Changes in consumer behaviour and new technologies may have an adverse effect on demand for our products and our profitability, especially in printed media.

Changes in consumer behaviour have affected the demand for paper and board in general, with the demand for paper declining. Some of the most significant changes in such consumer behaviour include the increase in direct-mail advertising, increased use of e-mail and electronic media and increased use of personal computers. Also, the new distribution channels for music and video entertainment through the Internet require less packaging.

New technologies and processes may emerge and existing technologies further developed in the fields we operate in. These technologies or processes could have an impact on our production methods or on product quality or offerings. Rapid changes in our employed technologies or the development of new processes that affect our operations and product range could render the technologies we utilise or the products we produce obsolete or less competitive in the future.

Changes in technology may also change consumer behaviour in terms of construction materials. Wood may be replaced by plastic or steel materials, which would have an adverse impact on the sales of the Wood Products business area. Our ability to meet shifts in consumer demand will depend upon our ability to respond to changes in consumer behaviour and our ability to develop and produce new products on a competitive and economic basis, which requires continuous capacity management, production curtails and structural development. There can be no assurance that we will be able to meet changes in consumer behaviour and technology in the future, which could have a material adverse effect on our business, financial condition or results of operations.

Competition in the paper, packaging and wood products industries is intense and measures taken by national governments or the EU may distort competition in these industries.

The paper, pulp, packaging and wood products industries in which we operate are mature, capital intensive and highly competitive. We have, from time to time, experienced pricing pressure from competitors in many of our product lines and geographic markets. Our principal competitors include a number of large international paper and forest product companies and, in addition, we face competition from numerous regional and more specialised competitors. The competitive environment and imbalances between supply and demand in the paper, pulp, packaging and wood products markets have been principal factors behind fluctuations in product prices in recent years. There can be no assurance that we will be able to compete successfully in the future. A failure to do so could have a material adverse effect on our competitive position. In addition, we are subject to the risk that local competitors following lower social responsibility standards enter the market with compliance costs lower than ours, and we may not be able to compete with those companies regarding the most price-conscious customers.

Competition in the paper, pulp, packaging and wood products industries may be distorted by measures taken by national governments or the European Union ("EU"). For example, a number of national governments and the EU have taken measures to support companies operating in these industries in response to an economic downturn or to support economic development in particular regions. These measures may include direct support to build new production capacity in an industry already characterised by overcapacity and indirect support through tax and other incentives that are not available to all market participants. Such support measures may have a significant effect on the supply/demand balance in the industry and, therefore, distort competition in the market. Companies that do not benefit from such support may also have to curtail capacity and take other measures to remain competitive. In addition, competition in the paper, pulp, packaging and wood products industries may be distorted by regulatory measures that, for example, support specific energy sources or impose additional taxes, charges or penalties for certain practices. Such regulatory measures may require us to make significant additional investments or change our trade practices, which could have a significant adverse effect on our profitability and on our ability to compete against companies that are not subject to the same requirements.

The prices for our products are cyclical and are affected by changes in capacity and production and by demand for our products, which, in turn, is influenced by, among other things, general economic conditions and customers' inventory levels. The timing and magnitude of price increases or decreases in the pulp and paper market have generally varied by region and by type of pulp and paper. Changes in capacity, production and demand may result in periods of imbalance between supply and demand, during which periods, prices of our products can fluctuate significantly. In addition, movements in currency exchange rates can result in changes in global trade flows, which, in turn, can exacerbate the imbalance between supply and demand. We may not be able to maintain our current price levels, or increase prices for our products, unless there is a strong demand for paper and board products or further decrease in production capacity. Decrease in demand or unfavourable price levels for our products could have a material adverse effect on our business, financial condition or results of operations.

We may not be able to successfully implement our cost reduction and efficiency improvement measures.

We have taken a number of measures to reduce our costs and achieve operating efficiencies over the past years. These measures have included the restructuring of our business areas and management, mill closures to address overcapacity and improve profitability, redundancies and divestures of certain mills and businesses. While these measures have generated savings, we may not be able to realise the full intended benefits of these measures or any additional initiatives that we may take in the future. Actual cost savings may vary materially from original estimates for a number of reasons. In addition, cost reduction measures are based on current conditions and do not take into account future cost increases

which may result from changes in the industry or our operations. Further, some of the measures taken by us are irreversible and we may incur significant costs should we want to re-commence certain terminated operations in the future as a result of, for example, industry consolidation or unexpected changes in industry trends. Any failure of ours to successfully implement these or additional future measures, or the failure of these measures to generate the anticipated level of savings, could have a material adverse effect on our business, financial condition or results of operations.

Changes in raw material and energy costs affect our profitability.

The main raw material required in the manufacture of paper and board products is pulp, which, in turn, is made from wood or recovered fibre. Different types of paper and board products are produced with the appropriate type of pulp and chemicals as their principal raw materials. The prices for energy and many of our raw materials, especially petroleum-based chemicals, have been volatile in recent years. For example, oil prices are currently low due to the oil price plummet in the second half of 2014. These prices are expected to remain volatile for the foreseeable future, and this affects the profitability of the paper, pulp, packaging and wood products industries. Chemical suppliers that use petroleum-based products in the manufacture of their chemicals may, due to supply shortages, cost increases or other reasons, limit the amount of chemicals available to us and/or we may not be able to obtain the chemicals needed to operate our business at favourable prices or without delays.

For the years ended 31 December 2014 and 2013, fibre costs constituted approximately 52 and 53 per cent. of our total variable costs, respectively. In addition, energy is one of the most significant components of our production costs. Despite our internal energy generation, we are, to a significant extent, dependent on external energy suppliers. Our contracts with energy suppliers vary as to price, quantity and duration and our energy costs are also affected by various market factors, including fuel and energy market prices and local and national regulatory decisions. Increases in prices for raw materials and energy has had a significant impact on our production costs, including 2014, and increases in prices for raw materials or energy could have a material adverse effect on our business, financial condition or results of operations if we are unable to increase our product prices sufficiently to maintain our margins.

We may not be able to realise some or all of the anticipated benefits of our strategic investment in China or there may be delays and unexpected higher costs or other difficulties in realising such benefits.

We are planning to build plantation-based integrated board and pulp mills at Beihai city in Guangxi, southern China, in two phases. In phase one, we are building a 450,000 tonnes per year paperboard machine scheduled to be operational after the first half of 2016. The pulp mill, with an annual pulp capacity of 900,000 tonnes, including necessary energy plant and auxiliary facilities, will be constructed in phase two (subject to approval of the Board of Directors) and started up when the paper board machine has been completed. The board and pulp mills are designed to be integrated into wood supply from 120,000 hectares of self-managed eucalyptus plantations. The project investment for the first phase is estimated to be approximately €760 million.

The planning, construction and operation of the integrated plant will be subject to a number of risks customary for projects of similar nature and our assessment of the risks and opportunities relating to the project may not be accurate. Timing of the project may also be further postponed as a result of factors outside of our control. In addition, there can be no assurance that the amount budgeted for the project will be sufficient as there may be substantial additional costs. There can also be no assurance that additional financing to complete the project will be available if needed. Further, as a result of changes in market conditions or other unexpected factors, we may not be able to realise the anticipated benefits of the project. An inability to realise the full extent of the anticipated benefits of its strategic investment in China, as well as any delays in the project, could have a material adverse effect on our business, financial condition or results of operations.

The failure to make successful mergers and acquisitions and divestments could have a negative impact on our competitiveness. Additional acquisitions may also expose us to new liabilities.

As part of our development, we may seek opportunities through mergers with, or acquisitions of, pulp and board and/or other companies to stay competitive or to enhance our position in our core areas of operation or to expand outside of current businesses. Risks relating to mergers and acquisitions include unidentified liabilities of the companies we may acquire or merge with, the possible inability to successfully integrate

and manage acquired operations and personnel as well as the risk that the anticipated economies of scale or synergies do not materialise. In addition, we may not be able to identify attractive acquisition or merger opportunities and might not be able to carry out acquisitions or mergers on attractive terms. A failure to participate in industry consolidation may have an adverse effect on our strategic competitive position. Regulation of merger or acquisition activity by competition authorities may also limit our ability to make future acquisitions or mergers. We have in the past recorded significant impairment charges related to goodwill or other intangible assets in connection with acquisitions and may be required to do so again in connection with any future acquisitions.

We have made a number of divestments in recent years in order to focus our operations. We may divest additional mills or operations to improve our operational efficiency. Any future divestments may be affected by many factors, such as the availability of bank financing to potential buyers, interest rates and competitors' capacity, which are beyond our control and may also lead to exposure to indemnity claims. There can be no certainty that we will succeed in divestments of certain assets in a profitable way or that such divestments will be at all possible on acceptable terms. The current challenging market situation may also affect our ability to accurately predict the length of time needed for the acquisitions or divestments. Therefore, the profitability of transactions may differ from expectations, which could have a material adverse effect on our business, financial condition or results of operations. Any transactions may also require extensive management attention and divert the attention of our management away from the ongoing business.

Exchange rate fluctuations may have a material adverse effect on our business, financial condition or results of operations.

Currency transaction risk consists of the impact of exchange rate fluctuations on our results of operations and expected cash flows. Currency fluctuations affect us because the majority of our operating costs are denominated in Euro, Swedish krona and Brazilian real, while a proportionately larger share of our sales are denominated in certain other currencies, including U.S. dollars and British pound sterling.

Because our consolidated financial statements are prepared in Euro, we also face a currency translation risk to the extent that the assets, liabilities, revenues and expenses of our non-Euro subsidiaries are denominated in currencies other than the Euro. Our reported earnings may be affected by fluctuations between the Euro and the non-Euro currencies in which our various subsidiaries report their results of operations. In addition, the appreciation of the Euro and/or Swedish krona against the U.S. dollar has in the past reduced, and could reduce in the future the competitiveness of the products we produce in Europe against imports from North America or South America or limit our ability to export such products into North America or South America, which could lead to lower sales and earnings. Furthermore, the Euro value of our sales and earnings in U.S. dollars would be reduced if the Euro would appreciate against the U.S. dollar.

While we use hedging instruments to mitigate the impact of exchange rate fluctuations, there can be no assurance that we will be able to manage our foreign exchange risk successfully and/or on favourable terms. As a result of all the above factors, currency exchange rate fluctuations between the Euro and/or Swedish krona and certain other currencies, such as the U.S. dollar, pound sterling, Swedish krona, Brazilian real, Russian rouble or Chinese renminbi, could have a material adverse effect on our business, financial condition or results of operations.

We may not be able to realise the anticipated benefits of our strategic plans.

We aim to transform ourselves from a European pulp and paper company into a value-creating, growth-market oriented and customer-focused renewable materials group. The success of this transformation depends of our ability to understand the needs of our customers and find the best possible ways to serve them with the right offering. This transformation is sought through organic growth and selective mergers and acquisitions, mainly in growth markets and through operational improvements to the existing production base. Due to their nature, the investments usually require considerable amounts of capital and have long lead times to generate returns. Although our capital expenditures have decreased in recent years, we see an upward turn in investment in certain emerging markets. Also, due to the size, location and complexity of the strategic projects, there is always a risk of cost overruns and delays. Specifically in the current market situation, inadequate utilization of production facilities or individual paper machines and an unanticipated low demand for products after completion in general may occur. Any of these factors could have a material adverse effect on our business, financial condition or results of operations.

In addition, competition for qualified personnel is intense in the growth markets in which we operate and seek to implement our strategic projects and this competition is likely to intensify in the future. We may not be able to locate suitable personnel at a reasonable cost or at all. If we are unable to attract, retain and motivate qualified employees at all levels, such failures could have a material adverse effect on our ability to execute our strategy in these markets and impair our business, financial condition or results of operations. In addition, our intellectual property is an increasingly important tool supporting our transformation from a traditional paper and board producer to a customer-focused renewable materials group. During 2014, we filed 31 priority founding patent applications and were granted 63 patents worldwide. If we are unable to protect our intellectual property rights, such failure could have a material adverse effect on our business, financial condition or results of operations.

Availability of fibre may have an impact on the prices paid by us for this key raw material or alter manufacturing operations.

Any disruptions on delivery of imported fibre to our mills may oblige us to pay higher prices or alter manufacturing operations by, for example, changing the product mix or downscaling production. Economic, political, legal or other difficulties or restrictions leading to lower logging activities in countries from which we import fibre or increasing domestic demand for wood due to further development of the forest products industries in those countries may halt or limit the supply of fibre to our mills, which could have a material adverse effect on our business, financial condition or results of operations.

Furthermore, environmental and social responsibility in wood procurement and forest management is a key requirement for our stakeholders, and we maintain policies for sustainable sourcing of wood and fibre as well as land management setting the basic requirements for all our wood procurement operations. If we fail to ensure that the origin of the wood we use is acceptable, this could have adverse consequences in the markets. Unpredicted changes in forest certification schemes and increased customer requirements could limit the availability of certified raw material. These adverse consequences could increase our raw material costs relating fibre and wood, which in turn could have a material adverse effect on our business, financial condition or results of operations.

We may face high costs for compliance with and remediation activities under environmental laws and regulations, which would reduce profit margins and earnings.

We are subject to various environmental laws and regulations in the jurisdictions in which we operate, governing, among other things, wood procurement, the use of recycled material and different forms of production discharges and emissions. We have, from time to time, had incidents relating to, among other things, odours emitted from our mills, soil contamination and high levels of organic matter and mercury near our mills. For the year ended 31 December 2014, our environmental costs were €192 million, as compared to €202 million in 2013. As at 31 December 2014, our provision for environmental remediation was €15 million.

The risk of substantial environmental costs and liabilities is inherent in industrial operations, including the forest products industry, and there can be no assurance that we will not incur significant costs and liabilities in the future in connection with our operations, mill closures or otherwise or that the adoption of increasingly strict environmental laws, regulations and enforcement policies will not result in substantially increased costs and liabilities in the future. Similarly, the interpretation of the existing laws and regulations may change, which may require stricter controls and increase our costs. Additionally, certain mill sites have been in industrial use for decades and may give rise to unanticipated environmental liabilities as scientific knowledge, environmental laws and regulations develop. Higher regulatory, environmental and similar costs would reduce our profit margins and earnings. We expect to continue to incur significant expenditures and may face operational constraints to maintain compliance with applicable environmental laws, to upgrade equipment at our mills, to clean up closed sites and to meet new regulatory requirements. Significant increases in environmental remediation and compliance costs could have a material adverse effect on our business, financial condition or results of operations.

Future impairments and restructuring costs may have a material adverse effect on our business, financial condition or results of operations.

The valuation of goodwill, intangible assets and fixed assets on our consolidated balance sheet is, to a significant degree, dependent on our estimates of the future cash generation capacity of the relevant assets

or cash generating units. We review the carrying amounts of our intangible assets and fixed assets at each balance sheet date to determine whether there is any indication of impairment. Goodwill is tested annually for impairment or more frequently when impairment indicators exist. If any such indication exists, we will estimate the recoverable amount of the asset and write down the asset to the recoverable amount through the income statement. The recoverable amount is estimated as the higher of the net selling price and the value in use with an impairment loss being recognised whenever the carrying amount exceeds the recoverable amount. Our impairments relating to operations in 2014 and 2013 amounted to €235 million and €602 million, respectively. Further restructuring and/or further continued weakness in the global economy may require us to make further impairments, which, depending on the amounts impaired, may have a material adverse effect on our business, financial condition or results of operations.

In recent years, we have taken a number of measures to restructure our operations. Restructuring costs incurred in connection with restructuring cover the costs for closing down operations, demolition, clearance, cleaning and site restoration as well as redundancy costs. For the year ended 31 December 2014, our total restructuring costs, excluding fixed asset impairments, amounted to €18 million. In addition, we recognised a restructuring provision during the period in which we become legally or constructively committed to a restructuring plan. As at 31 December 2014, our total restructuring provisions amounted to €11 million. As we continue to review our operations for additional operational efficiency, our restructuring costs may be significant in the foreseeable future and there can be no assurance that the actual cash outflows will not exceed the provisioned amounts. Such events could have a material adverse effect on our business, financial condition or results of operations.

The value of our investments may be adversely affected by political, economic and legal developments in the countries concerned.

We have operations in countries where the political, economic and legal systems are less predictable than in countries with more developed institutional structures. In particular, as our strategy includes an increased focus on growth markets, we are expected to become increasingly exposed to risks relating to operating in countries with less developed institutional, legal and political structures. Also, social risks may harm the development of our investments in these countries and our relationship with local shareholders. Political or economic upheaval, changes in laws and other factors could have a material adverse effect on our operations in these countries and, in turn, the amount of income from, and the value of, the investments we have made, and may in future make, in relation to our operations in such countries. For example, we expect the political turmoil in North Africa to have an adverse impact on the business of Wood Products. Furthermore, political changes in China, Russia, Brazil and Uruguay may have a material financial impact on our operations. We are also exposed to similar risks when undertaking reorganisations, closures and improvements to our operations in the EU area. Any such issues, or a public perception of such issues, would also harm our reputation and affect our operations in such markets.

In addition, risks of operating in emerging market countries arise from the establishment or enforcement of foreign exchange restrictions, which could effectively prevent us from receiving profits from, or from selling our investments in, these countries. While none of the countries in which our operations are located currently have foreign exchange controls that have a significant effect on us, most of these countries have imposed foreign exchange controls in the recent past and no assurance can be given that these countries will not reinstitute these controls in the future.

Certain of our operations are carried out in joint ventures over which we share control.

Certain of our current operations are carried out in joint ventures and we expect to use joint ventures when starting new operations in growth markets also in the future. One of our current key joint ventures is Veracel Celulose S.A. ("**Veracel**"). Both we and our Brazilian partner Fibria, formerly Aracruz Celulose S.A., have a 50 per cent. interest in Veracel and are entitled to one-half of the Veracel pulp mill's output. During 2009, we established a joint venture, Montes del Plata, with Celulosa Arauco y Constitucion S.A. ("**Arauco**") to combine assets in Uruguay. Each of the joint-venture shareholders has a 50 per cent. stake in the mill's equity and will be entitled to one-half of its output. In addition, we are building an integrated board and pulp mills at Beihai City in Guangxi, southern China. We are currently building a board machine which is expected to be operational by mid-2016, and the construction of the pulp mill is planned to start after the board machine has been completed. The operations in China are managed by an equity joint-venture company established by us and Guangxi Forestry Group, a state-owned company under the Guangxi provincial government. We own 83 per cent. of the joint venture, with the remainder

owned by Guangxi Forestry Group Co. Ltd, Beihai Forestry Investment & Development Company Ltd and International Finance Corporation. Also, we have a joint venture called Bulleh Shah Packaging (Private) Limited ("**Bulleh Shah**") with Packages Ltd. of Pakistan. Our shareholding in Bulleh Shah is 35 per cent.

Due to their nature, we have and likely will have only shared control with other investors over our current and future joint ventures. Our current and future partners may have different approaches with respect to each joint venture, their control and any changes in control involving the joint venture or the parties thereto, and we may be unable to reach agreement with our joint venture partners. For example, in May 2014, Fibria initiated arbitration proceedings against us claiming that we are in breach of certain provisions of the shareholder agreement regarding Veracel. For more information see "*Description of the Issuer – Legal Proceedings*". In the event of disagreements between the joint venture partners, we may fail to exit the joint venture at an acceptable price or at all. Strategic or joint venture partners may also choose not to, or may be subject to changes in control that may impact the ability to, continue partnerships they have with us or we may have to assume full ownership of joint venture companies. Our joint venture partners may also face financial difficulties, which may prevent such partners from supporting the operations of, or investing further capital in, the respective joint ventures. This could have a material adverse effect on our business, financial condition or results of operations.

Risks related to our tree plantations and forests.

Currently, we manage plantations in Brazil, Uruguay and China, as well as small-scale trial plantations in Laos. In addition, we own forests in Latvia and Lithuania and lease forests in Russia and the Czech Republic. We also have a 49 per cent. interest in Bergvik Skog AB ("**Bergvik**") and a 41 per cent. interest in Tornator Oyj ("**Tornator**"). Bergvik is a Swedish company owning approximately 2.3 million hectares of forest land in Sweden and approximately 0.1 million hectares in Latvia. Tornator is a Finnish company owning approximately 600,000 hectares of forest land in Finland. These assets may be destroyed as a result of natural disasters, including fires or floods. In particular, the Latin American landscape is prone to, and ecologically adapted to, frequent fires. The risk of uncontrolled fires entering and burning significant areas of our tree plantations and forests is high. In summer 2014, we suffered losses due to a forest fire in Sweden, which was one the largest forest fires in recent decades in the Nordic countries. At our tree plantations, there is also a risk of other catastrophic events, such as pathogen and pest infestations. Pathogens and plant diseases may spread quickly and destroy entire plantations, which would result in significant additional costs and delay in the delivery of fibre to the associated mills. Further, establishing land ownership structures that comply with local law is a challenging process in emerging markets as a result of undeveloped regulatory frameworks, unclear licensing and permit requirements and changing legislation. In emerging markets, certain issues concerning land ownership remain unresolved and the laws governing investment in, and the operation of, forestry assets are new and untested. In China, for example, we have faced social movements against plantations which have also resulted in negative publicity. Competition for land (with, for example, the demands of energy and food production, and pasture land) may also increase the price of land or restrict the availability of suitable land for plantations. Further, we announced on 11 July 2008, 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. For more information, see "*Description of the Issuer – Legal Proceedings*".

Climate change risks

There is growing concern from members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases (GHG) and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of natural disasters. Climate change, including the impact of global warming, creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in changes in precipitation and extreme weather events. Climate change could have a material adverse effect on our results of operations, financial condition, and liquidity.

We may become subject to legislation and regulation regarding climate change, and compliance with any new rules could be difficult and costly. Concerned parties, such as legislators and regulators, shareholders and non-governmental organizations, as well as companies in many business sectors, are considering ways to reduce GHG emissions. Various governmental and local regulatory and legislative bodies have

proposed legislative and regulatory measures relating to climate change, regulating GHG emissions and energy policies. If such legislation is enacted, we could incur increased energy, environmental and other costs and capital expenditures to comply with the limitations. Due to the uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, we cannot currently determine the effect such legislation and regulation may have on our operations. Furthermore, we could face increased costs related to defending and resolving legal claims and other litigation related to climate change and the alleged impact of our operations on climate change.

We maintain a diverse and broad customer base as part of our sales approach; the loss of one or more of our major customers could have a material adverse effect on our business, financial condition or results of operations.

A significant portion of our products are sold to a number of major customers, including certain significant printing houses and packaging industry companies. Although we are not dependent on any specific customer or group of customers, the loss of one or more of our major customers, if not replaced in kind, could have a material adverse effect on our business, financial condition or results of operations. In addition, each of our Divisions and reporting segments, in particular the Consumer Board Division and Packaging Solutions Division and the Paper Division, sell significant volumes to single major customers that, although not necessarily material to our business as a whole, are significant to the operations of those respective individual business areas.

We rely on outside suppliers and subcontractors and are therefore susceptible to disruptions in our supply chain.

We rely on outside suppliers and subcontractors and their ability to deliver products or services at the right time and of the right quality. Our most important production inputs are fibre, transport, chemicals and energy as well as machinery and equipment. For some of these inputs, there are a limited number of potential suppliers. In the event of a significant interruption or limitation in the supply of these production inputs from our current suppliers, we would seek to obtain them from other sources. However, there can be no assurance that we would be able to do so without an adverse impact on our manufacturing operations, such as an interruption or downscaling of production or change in the product mix, or increased costs. The recent economic slowdown has also motivated some of our suppliers to cut capacity and our management estimates that some consolidation may take place on our supplier side. As a result, should the demand for our products recover faster than anticipated, there may not be sufficient volume of certain production inputs to meet the increased needs or the price of these inputs may increase. This could result in production delays and an increase in costs, and, if such delays are prolonged or cost increases are substantial, have a material adverse effect on our business, financial condition or results of operations.

We are also subject to the risk that our suppliers and subcontractors fail to comply with our sustainability requirements and damage our reputation. This risk relates particularly to suppliers not complying with labour, health and safety regulations in high-risk countries in the emerging markets such as Pakistan, China, Brazil and India. In case our suppliers do not comply with our sustainability requirements, we have to take measures to remedy the situation and may have to terminate these supplier relationships which may limit the amount of suppliers and could have a material adverse effect on our business, financial condition or results of operations.

A few significant shareholders may influence or control the direction of our business.

Stora Enso's largest shareholders, Solidium Oy ("**Solidium**"), a company wholly-owned by the Finnish State, and Foundation Asset Management, hold 12.3 per cent. and 10.2 per cent. of the Shares outstanding and 25.1 per cent. and 27.2 per cent. of the related voting rights, respectively, as of the date of this Prospectus. Accordingly, Solidium and Foundation Asset Management have significant power to influence matters submitted to a vote of shareholders, such as the approval of the annual financial statements, declarations of annual reserves and dividends, capital increases, amendments to our articles of association and the election of the members of our Board of Directors. To the extent matters presented to our shareholders require approval of a particular percentage of shares represented at a meeting of shareholders or of a super majority of outstanding shares, these investors may be able to significantly influence the outcome of the vote.

A significant portion of our employees and our suppliers' employees are members of labour unions and we may face labour disruptions that could interfere with our operations and have a material adverse effect on our business, financial condition or results of operations.

We are subject to the risk of labour disputes and adverse employee relations, which could disrupt our business operations (or the business operations of our suppliers) and adversely affect our business, financial condition or results of operations. The majority of our employees, and in particular employees in Finland, Sweden and Germany, are represented by labour unions under several collective bargaining agreements in the various countries in which we operate. However, organisations collectively representing us and other employers in our industry may not be able to renegotiate satisfactory collective labour agreements when they expire. Furthermore, the existing collective bargaining agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any such work stoppage could have a material adverse effect on our business, financial condition or results of operations. Additionally, public dissatisfaction with our labour-related decisions may, in extreme cases, lead to unanticipated boycotts or disruptions at our facilities. We have experienced work stoppages in the past. For example, the Finnish Paper Workers' Union declared two-week work stoppage in Finland in April 2010. The work stoppage was associated with a mill restructuring at a competitor's paper mill in Finland. There can be no assurance that there will not be labour disputes and/or adverse employee relations in the future.

Valuations of our financial assets and liabilities could have a material adverse effect on our business, financial condition or results of operations.

The value of certain financial assets and liabilities on our balance sheet is determined by using the fair value for those assets and liabilities at the balance sheet date. For publicly traded securities, the fair value is based upon publicly quoted market prices, whereas the fair value of financial assets and liabilities for which there is no publicly quoted market price is determined by our management using a variety of valuation techniques. For us, the largest item subject to fair valuation is the interests in Pohjolan Voima Oy ("**PVO**"). PVO is a privately owned company in Finland that produces electricity and heat for its shareholders, including us. The fair value of our ownership interest in PVO largely depends on the price of electricity and the used discount rate. As at 31 December 2014, the fair value of PVO's shares was €437 million, as compared to €352 million as at 31 December 2013. A significant decrease in the fair value of our financial assets could have a material adverse effect on our business, financial condition or results of operations. Further, due to the subjective nature of the assumptions used in estimating the fair value of our financial assets, any changes in the assumptions used may impact the reported fair value of the financial instruments.

We are a subject to class-action lawsuits in the United States concerning alleged anticompetitive conduct.

In the context of magazine paper sales in the United States in 2002 and 2003, we were sued in a number of class action (and other civil) lawsuits filed in the United States by various magazine paper purchasers that claimed damages for alleged antitrust violations. All material lawsuits are, or about to be settled.

No provisions have been made in our accounts for these lawsuits. In addition, companies operating in our industry have, from time to time, been subject to investigations by local competition authorities. For more information, see "*Description of the Issuer – Legal Proceedings – Legal Proceedings in the United States*". There can be no assurances that we will prevail in our efforts to defend these claims and we do not have liability insurance which would cover any adverse judgments or losses resulting from these lawsuits. Due to the uncertainties associated with these matters, it is not possible to estimate any potential loss contingencies. There can be no assurances that such investigations or lawsuits, if determined adversely, would not have a material adverse effect on our business, financial condition or results of operations.

Reduced levels of capital expenditure may have an adverse effect on our business, financial condition or results of operations.

In response to the challenging market conditions, we reduced the level of our capital expenditures and focused on selected key assets. Reduced levels of capital expenditure may result in deterioration in the quality of our production facilities, which may result in higher maintenance and replacement costs in the long-term. In addition, postponed capital expenditure may subject the facilities to a higher risk of accidents and may result in us losing our competitive advantage to other companies and reduce the value

of the facilities. Therefore, long periods of reduced capital expenditure levels could have a material adverse effect on our business, financial condition or results of operations.

We depend on technology and advanced information systems that may fail or be subject to disruptions.

The integrity, reliability and operational performance of our IT systems are important to our daily operations. Our IT systems may be damaged or interrupted by increases in usage, human error, natural hazards or disasters or similarly disruptive events. Any failure of our IT systems could lead to significant costs and disruptions that could harm our reputation and have a material adverse effect on its business, results of operations or financial condition. In addition, cyber threats and other security threats could exploit possible weaknesses in our IT systems and security controls, which in turn, could cause leakage of sensitive information, theft of intellectual property, production outage or damage to our reputation.

We may not be able to attract and retain key officers, managers or other key personnel, which could have an adverse effect on our business, financial condition or results of operations.

Developing a competent workforce and managing key talent throughout our global organisation are crucial to business development, for example within strategic investment projects and research and development, or during restructuring and redundancies due to divestments and closures. We seek to manage the risks and loss of key personnel through a combination of different actions, including assessment of key personnel, annual succession planning and various development activities. However, there can be no assurance that we will be able to retain and attract key personnel in the future and our any inability to attract or retain an adequate number of certain key personnel could have an adverse effect on our business, financial condition or results of operations.

A fire, accident or other calamity at our manufacturing facilities could have a material adverse effect on our business, financial condition or results of operations.

A fire, accident or other calamity resulting in significant damage to our manufacturing facilities could have a material adverse effect on our business, financial condition or results of operations. Our operations would be interrupted if any of our manufacturing facilities were to experience a major accident or were forced to shut down or curtail production due to unforeseen events. Such incidents could result in delayed delivery timetables and additional costs to us and there can be no assurance that our insurance coverage would adequately cover all such costs, if at all, and, further, there can be no assurance that other funding would be available in such circumstances to repair any unforeseen damage at our manufacturing facilities. This could have a material adverse effect on the quality of our products, the efficiency of our production facilities and our business in general. In addition, recent turmoil and volatility in the global financial markets may adversely affect the insurance market. This may result in some of the insurers in our insurance portfolio failing and being unable to pay their share of claims.

Reputational Risks

Our governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud, both at operating subsidiaries and joint ventures.

We operate globally and our activities span multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and initiatives in areas such as competition law and anti-corruption. We cannot be certain that our internal control measures will ensure the implementation and maintenance of adequate controls over our financial reporting processes or that our operational risk management procedures will detect and prevent misbehaviour by individual employees as well as violations at our joint ventures and other companies in which we have an interest, particularly if we only have a minority stake and do not control accounting or other rules and protocols for the conduct of business. Our failure to comply with applicable laws and other standards could subject us to fines, loss of operating licenses and reputational harm.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent and detect fraud. If we cannot provide reliable financial reports or prevent fraud, our financial results could be negatively affected. Additionally, at the operational level, individual employees may not comply with our policies and guidelines and as a result may cause us to incur compliance costs and cause us reputational damage. Inadequate internal controls could also cause investors and other third parties to lose

confidence in our reported financial information, which could have a material adverse effect on our business, financial condition or results of operations.

We may be subject to product safety claims.

Some of our paper and board products are used for, among other things, packaging food products. There is a risk that individuals, entities or authorities may allege that our products have contaminated food products, which could result in liability claims. Although we have established systems to manage hygiene at the mills producing these products, there can be no assurance that these measures will eliminate the risk of liability claims, or that we will be able to successfully dispose of such claims. In addition, a material product liability claim, even if concluded in our favour, could harm our reputation which, in turn, could have a material adverse effect on our business, financial condition or results of operations.

Social Risks

Risks related to social issues may harm the development of our investments, especially in growth markets, and our relationship with local stakeholders. Regardless of the fact that we aim to comply with applicable laws and regulations, and that sustainability management, including our Environmental and Social Impact Assessments (ESIA), are an important part of our business practices, we are sensitive to stakeholder activism and may face campaigns that can have adverse consequences on sales to our customers and/or on the availability of certain raw materials we need in our operations and/or our ability to obtain financing. These adverse consequences may have a material adverse effect on our business, financial condition or results of operations.

Human rights related issues have a material impact on our license to operate and our reputation. We are committed to the ten principles of the United Nation's Global Compact and to the United Nation's Guiding Principles on Business and Human Rights and we are striving to operate by these principles. In 2014, we have performed and completed a series of comprehensive human rights assessments covering all of our production, wood supply and forestry operations including their supply chains and impact on the neighboring communities. In addition, we have implemented a new Supplier Code of Conduct. However, we may continue to encounter challenges relating to human rights issues as our strategy includes an increased focus on growth markets including countries with less developed institutional, legal and political structures. There is a risk that policies and procedures relating to the human rights are not properly integrated into the daily business in our operations and supply chains which could result in violations of international human rights standards, and this may lead to reputational damage and loss of business. There is also a risk that we may not operate or continue our operations in markets where human rights issues persist. These adverse consequences may have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Financing

We could encounter difficulty in financing our operations, including the investments that are necessary to achieve our strategic plans.

Our strategic plans continue to require significant investments. Our ability to meet these capital requirements depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available. Our ability to refinance our debt, incur additional debt, the terms of our existing and any future debt and our liquidity could be affected by a number of adverse developments. Although credit conditions have stabilized since the credit crisis, any future adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may negatively impact our ability to borrow additional funds as well as the cost and other terms of the funding. Incurrence of additional debt would increase the amounts we must pay to service our debt obligations and could involve the imposition of restrictive covenants that could negatively impact our ability to operate in a desired manner. The failure to obtain sufficient funds necessary for running our operations or the increased costs or unfavourable terms of financing could have a material adverse effect on our business, financial condition or results of operations. Further, difficulties we may encounter in financing our capital investments may prevent the realization of our strategic plans and could, in particular, force us to forego opportunities that may arise in the future. This could, in turn, have a negative impact on our competitive position.

We are exposed to interest rate risk on our floating rate debt.

As at 31 December 2014, our total floating rate interest-bearing net liability position, excluding cash and cash equivalents but including floating rate components of interest rate swaps, was €0.6 billion. As a result of the net floating rate debt position, an increase in interest rates would cause an increase in the amount of our interest payments and could have a material adverse effect on our business, financial condition or results of operations. To manage Group's interest rate risk we swap long-term fixed interest rates to short-term floating interest rates, swap short-term floating interest rates to long-term fixed interest rates and use interest rate options for the same purposes. While these swaps and options may limit our exposure to changes in interest rates, they may not offer complete protection from increased interest rates. Significant future fluctuations in interest rates could result in significant changes in the value of our interest swap arrangements, which could have a material adverse effect on our business, financial condition or results of operations.

Any downgrade in our credit ratings could adversely affect the availability of new financing and increase our cost of capital.

In September 2014, Standard & Poor's affirmed the BB rating for our long-term debt and the B rating for our short-term debt. In November 2014, Moody's affirmed its Ba2 rating for our long-term debt and changed its outlook from negative to stable. The rating for our short-term debt was kept at NP. If the ratings were to be downgraded by the rating agencies, our cost of capital would increase. Any downgrade could also negatively affect our business and the availability of future financing.

The credit ratings included or referred to in this Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody's and Standard & Poor's upon registration pursuant to the CRA Regulation. Moody's and Standard & Poor's are established in the EU and registered under the CRA Regulation.

Risk Factors Relating to the Notes

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Notes

Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index or reference rate. Accordingly, investors should note that if interest rates rise, then the income payable on the Fixed Rate Notes might become less attractive and the price that they could realise on a sale of the Fixed Rate Notes may fall. However, the market price of Notes issued under the Programme from time to time has no effect on the total income investors receive on maturity of the Notes if they hold the Notes until the relevant maturity date.

Further, inflation will reduce the real value of the Fixed Rate Notes over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Fixed

Rate Notes less attractive in the future, again affecting the price that they could realise on a sale of the Fixed Rate Notes.

Floating Rate Notes

Floating Rate Notes bear interest by reference to an underlying reference rate. Unlike Fixed Rate Notes, the interest income on Floating Rate Notes is variable and, at the time of purchase, investors are not able to determine a yield for Floating Rate Notes. As such, the return on investment cannot be compared with that of investments which have fixed interest periods. Investors are also exposed to the reinvestment risk of the interest income if the market interest rates decline.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in

relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive, which legislation must apply from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the EU. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Foreign Account Tax Compliance withholding may affect payments on the Notes

With respect to (i) Notes issued after the date that is six months after the date the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Grandfather Date**"), or (ii) Notes issued on or before the Grandfather Date that are materially modified after such date, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30 per cent. on all or a portion of payments of principal and interest which are treated as "foreign passthru payments" made on or after 1 January 2017, at the earliest, to an investor or any other financial institution through which payment on the Notes is made that is a non-U.S. financial institution that is not in compliance with FATCA. As of the date of this Prospectus, regulations defining the term "foreign passthru payment" have not yet been published. If the Issuer issues further Notes on or after the Grandfather Date pursuant to a reopening of a Series of Notes that was created on or before the Grandfather Date (the "**original Notes**") and such further Notes are not fungible with the original Notes for U.S. federal income tax purposes, payments on such further Notes may be subject to withholding under FATCA and, should the original Notes and the further Notes be indistinguishable for non-tax purposes, payments on the original Notes may also become subject to withholding under FATCA. The FATCA withholding tax may be triggered if: (i) the Issuer is a foreign financial institution (an "**FFI**," as defined in FATCA), and (ii) the Issuer, or a paying agent through which payments on the Notes are made, has agreed to provide the U.S. Internal Revenue Service (the "**IRS**") or other applicable authority with certain information on its account holders (making the Issuer or such paying agent a "**Participating FFI**", as defined in FATCA) and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI that is making the payment to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such FFI, or (b) any FFI through or to which payments on the Notes are made is not a Participating FFI.

The United States has concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA. The governments of Finland and the United States have signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "**Finnish IGA**"). Under the

Finnish IGA, an entity classified as an FFI that is treated as resident in Finnish is expected to provide the Finnish tax authorities with certain information on U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the IRS. The Issuer does not expect to be treated as an FFI; however, if the Issuer is treated as an FFI, provided that it complies with the requirements of the Finnish IGA and the Finnish legislation implementing the Finnish IGA, it should not be subject to FATCA withholding on any payments it receives and it should not be required to withhold tax on any "foreign passthru payments" that it makes. Although the Issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Finnish IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-

equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings referred to in this Prospectus and/or the Final Terms, is set out in of this Prospectus and will be disclosed in the Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

IMPORTANT NOTICES

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Prospectus and any applicable Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus and any applicable Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Prospectus and any applicable Final Terms in respect of a Series of Notes will be available free of charge from (i) the head office of the Issuer and the specified office of each of the Paying Agents (as defined below), in each case at the address given at the end of this Prospectus and (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu, save where any such Notes are unlisted, in which case the applicable Final Terms will be available for inspection only by the holders of such Notes as described in (i) above.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named on or identifiable following the applicable Final Terms as the Authorised Offerors (as defined below).

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated

to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands) and Japan (see "*Subscription and Sale*").

This Prospectus has been prepared on the basis that, except to the extent sub-paragraphs (ii) or (iii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, (ii) if authorised to do so in accordance with the relevant Final Terms, or (iii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent that sub-paragraphs (ii) or (iii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purposes of this paragraph, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Prospectus in connection with a public offer ("**Public Offer**") of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in Luxembourg by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the conditions (if any) specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in Luxembourg and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers (each an "**Authorised Offeror**") under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if they do so, the Issuer will publish the above information in relation to them on their website. The Issuer accepts responsibility for the content of the Prospectus with respect to subsequent resale or final placement of the Notes by any financial intermediary given consent to use the Prospectus.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Prospectus.

Any Authorised Offeror who wishes to use this Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, a Public Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in Luxembourg and subject to any relevant conditions, as specified in the relevant Final Terms.

Neither the Issuer nor any of the Dealers has authorised the making of any Public Offer of any Notes by any person in any circumstances and such person is not permitted to use this Prospectus in connection with its offer of any Notes unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made on behalf of the Issuer, any Dealer or any Authorised Offeror and none of the Issuer, any Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATION, SETTLEMENT ARRANGEMENTS AND ANY EXPENSES OR TAXES TO BE CHARGED TO THE INVESTOR (THE "TERMS AND CONDITIONS OF THE PUBLIC OFFER"). THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO INVESTORS BY THAT AUTHORISED OFFEROR AT THE RELEVANT TIME. NONE OF THE ISSUER, ANY OF THE DEALERS OR OTHER AUTHORISED OFFERORS HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended (the "**Securities Act**"), and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "**Subscription and Sale**").

References in this document to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S. dollars**" and "**U.S.\$**" refer to the currency of the United States of America, those to "**Swedish krona**" or "**Swedish kronor**" refer to the currency of the Kingdom of Sweden, those to "**Chinese renminbi**" refer to the currency of the People's Republic of China, those to "**Brazilian real**" refer to currency of Brazil, those to "**Japanese yen**" refer to the currency of Japan, those to "**pounds sterling**" and "**£**" refer to the currency of the United Kingdom and those to "**Euro**", "**EUR**" or "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

GENERAL DESCRIPTION OF THE PROGRAMME

The Programme is a Euro 4,000,000,000 Euro Medium Term Note Programme under which the Issuer may, from time to time, issue Notes including, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and other Notes subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The applicable terms of any Notes will be agreed between the Issuer and the Dealers prior to the issue of the Notes and will be set out in the Final Terms of the Notes endorsed on, or attached to, the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF (www.bourse.lu) shall be incorporated by reference in, and form part of, this Prospectus:

- the press release dated 18 March 2015 entitled "Stora Enso's historical figures according to the new division structure";
- the terms and conditions of the Notes, as set out on pages 57 to 76 of the Base Prospectus dated 15 March 2011;
- the terms and conditions of the Notes, as set out on pages 53 to 72 of the Base Prospectus dated 27 March 2012;
- the terms and conditions of the Notes, as set out on pages 46 to 65 of the Base Prospectus dated 27 March 2013;
- the terms and conditions of the Notes, as set out on pages 51 to 70 of the Base Prospectus dated 3 April 2014;
- the auditors' report and audited consolidated annual financial statements (including the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement and statement of changes in equity as well as the notes related thereto) of the Issuer as at and for the year ended 31 December 2014 included in the financial report of the Issuer for the year ended 31 December 2014; and
- the auditors' report and audited consolidated annual financial statements (including the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement and statement of changes in equity as well as the notes related thereto) of the Issuer as at and for the year ended 31 December 2013 included in the financial report of the Issuer for the year ended 31 December 2013.

The financial information incorporated by reference above is available as follows:

Information Incorporated by Reference

Reference

Financial Report for the year ended 31 December 2014

Consolidated Income Statement	Page 26
Consolidated Statement of Comprehensive Income	Page 27
Consolidated Statement of Financial Position	Page 28
Consolidated Cash Flow Statement	Page 29-30
Statement of Changes in Equity	Page 31
Notes to the Consolidated Financial Statements	Page 32-123
Auditors' Report	Page 127

Financial Performance Report for the year ended 31 December 2013

Consolidated Income Statement	Page 38
Consolidated Statement of Comprehensive Income	Page 39
Consolidated Statement of Financial Position	Page 40
Consolidated Cash Flow Statement	Page 41-42
Statement of Changes in Equity	Page 43
Notes to the Consolidated Financial Statements	Page 44-127
Auditors' Report	Page 131

The information incorporated by reference that is not included in the cross-reference list is considered an additional information that is not required by the relevant schedules of the Prospectus Regulation (809/2004).

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the office of the Issuer and the specified office of the Paying Agents (as defined below), in each case at the address given at the end of this Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Banque Internationale à Luxembourg, société anonyme, for Notes listed on the official list of the Luxembourg Stock Exchange and will also be published on the Luxembourg Stock Exchange's website (www.bourse.lu).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes (as defined under "*Terms and Conditions of the Notes*") will be in bearer form and will be initially issued in the form of a temporary global Note (a "**Temporary Global Note**") without receipts, interest coupons or talons, or, if so specified in the applicable Final Terms, a permanent global Note (a "**Permanent Global Note**" and, together with any Temporary Global Note the "**Global Notes**"), which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream, Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person ("**Certification**"), as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent and/or specified in the applicable Final Terms.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable in whole or in part (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note without receipts, interest coupons or talons of the same Series or (ii) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case against Certification as to beneficial ownership as described above and as required by U.S. treasury regulations unless such Certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due Certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note is improperly withheld or refused. If the Specified Denomination of the Notes stated in the final terms includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]", the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent as so defined shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least 40 days (as notified by the Agent to the relevant Dealer) after the completion of the distribution of the Notes of such Tranche.

Payments of principal and interest (if any) on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for Certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by a Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and in the

event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent. Temporary and Permanent Global Notes and definitive Notes will be authenticated (if applicable) and delivered by the Agent on behalf of the Issuer. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

The following legend will appear on all Notes having an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment has not been made in full of the amount due in accordance with the terms of such Global Note, then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 27 March 2012 executed by the Issuer.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).

[Date]

STORA ENSO OYJ

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 4,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 25 March 2015 [and the Prospectus Supplement No. [] dated []] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended by the directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. Copies of such Base Prospectus may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended by the directive 2010/73/EU (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 25 March 2015 [and the Prospectus Supplement No. [] dated []] [which [together] constitute] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [15 March 2011]/ [27 March 2012]/[27 March 2013]/[3 April 2014]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 25 March 2015 and [15 March 2011]/[27 March 2012]/[27 March 2013]/[3 April 2014]. Copies of such documents may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectuses and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

1. (a) Series Number: [•]
(b) Tranche Number: [•]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount:
 - (a) Series: [•]
 - (b) Tranche: [•]

4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5. (a) Specified Denominations: [•]
 (b) Calculation Amount: [•]
6. (a) Issue Date: [•]
 (b) Interest Commencement Date: [Issue Date/Not Applicable]
7. Maturity Date: [•]
8. Interest Basis: (As referred to in Condition 4) [[•] per cent. Fixed Rate]
 [[LIBOR/EURIBOR/STIBOR] +/- [•] per cent. Floating Rate]
 [Zero Coupon]
 (further particulars specified below)
9. Redemption/Payment Basis: (As referred to in Condition 6) [Redemption at par]
 [Partly Paid]
 [Instalment]
10. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
11. [Date [Board] approval for issuance of Notes obtained: [•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** (as referred to in Condition 4(a)) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: (As referred to in Condition 4(a)) [•] per cent, per annum [payable [annually/semi annually/quarterly] in arrear]
- (b) Interest Payment Date(s): (As referred to in Condition 4(a)) [[•] in each year up to and including the Maturity Date]/[specify other]
- (c) Fixed Coupon Amount(s): [•] per Calculation Amount
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
 (As referred to in Condition 4(a))
- (f) [Determination Date(s): [•] in each year

(As referred to in Condition 4(a))

Only relevant where Day Count Fraction is Actual/Actual (ICMA)

13. **Floating Rate Note Provisions** (As referred to in Condition 4(b)) [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s): (As referred to in Condition 4(b)) [•]
 - (b) Specified Interest Payment Dates: (As referred to in Condition 4(b)) [•]
 - (c) Business Day Convention: (As referred to in Condition 4(b)) [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (d) Additional Business Centre(s): (As referred to in Condition 4(b)(i)) [•]
 - (e) Manner in which the Rate of Interest and Interest Amount is to be determined: (As referred to in Condition 4(b)(ii)) [Screen Rate Determination/ISDA Determination]
 - (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [•]
 - (g) Screen Rate Determination:
 - Reference Rate: (As referred to under Condition 4(b)(ii)(B)) [•]
 - Interest Determination Date(s): [•]
 - Specified Time: [•]
 - Relevant Screen Page: [•]
 - (h) ISDA Determination: (As referred to in Condition 4(b)(ii)(A))
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - (i) Margin(s): [+/ -] [] per cent. per annum
 - (j) Minimum Rate of Interest: [•] per cent, per annum
 - (k) Maximum Rate of Interest: [•] per cent, per annum
 - (l) Day Count Fraction: (As referred to [Actual/Actual (ISDA) or Actual/Actual];

under Condition 4(b))

Actual/365 (Fixed);

Actual/365 (sterling);

Actual/360;

30/360;

30E/360;

30E/360 (ISDA);

Other]

14. **Zero Coupon Note Provisions** (as referred to in Condition 4(c)) [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Accrual Yield: [•] per cent. per annum
- (b) Reference Price: [•]
- (c) Any other formula/basis of determining amount payable: [•]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Not Applicable/Conditions 6(e)(iii) and 6(j) apply]

PROVISIONS RELATING TO REDEMPTION

15. Issuer Call: (As referred to in Condition 6(c)) [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount: [[•] per Calculation Amount/Make-Whole Redemption Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [•]
- (ii) Higher Redemption Amount: [•]
- (d) Notice period (if other than as set out in the Conditions): [•]
- (e) Benchmark Security: [•]
- (f) Reference Time: [•]
- (g) Make-Whole Margin: [•]
- (h) Linear Interpolation: [Applicable/Not Applicable]

16. Investor Put: (As referred to in Condition 6(d)) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount]
- (c) Notice period (if other than as set out in the Conditions): [•]
17. Final Redemption Amount: (As referred to in Condition 6(a)) [[•] per Calculation Amount]
(Notes must be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount)
18. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (As referred to in Condition 6(e)): [[•] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Global Note exchangeable for Definitive Notes only upon Exchange Event]
20. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
21. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No].
22. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
23. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
24. Redenomination applicable: Redenomination [not] applicable

DISTRIBUTION

25. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (b) Date of Subscription Agreement: [•]
26. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
27. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
28. Whether TEFRA D or C Rules Applicable: [TEFRA D/TEFRA C]
29. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the "**Authorised Offerors**") other than pursuant to Article 3(2) of the Prospectus Directive in Luxembourg ("**Public Offer Jurisdiction**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] ("**Offer Period**"). See further Paragraph 8 of Part B below.

For and on behalf of STORA ENSO OYJ:

By:

Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on its Regulated Market]/[listed on [•] and admitted to trading on [•]] with effect from [•].[Not Applicable]]

2. **RATINGS**
Ratings: [The Notes to be issued have not been rated.]/ [The Notes to be issued have been rated:]

[Standard & Poor's Credit Market Services Europe Limited: [•]]

[Moody's Deutschland GmbH: [•]]

[[*Other (specify)*]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[•] [are]/[is] established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). [•] appear(s) on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. - *Amend as appropriate if there are other interests*]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer [•]

[See "Use of Proceeds" wording in Base Prospectus] (*if reasons for offer different from making profit and/ or hedging certain risks will need to include those reasons here.*)]

(ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

5. **YIELD** [•]
 Indication of yield: [•]
6. **HISTORIC INTEREST RATES**
 Details of historic [LIBOR/EURIBOR/STIBOR] rates and their further performance and volatility can be obtained from Reuters.
7. **OPERATIONAL INFORMATION**
- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [•]
8. **TERMS AND CONDITIONS OF THE OFFER**
- Offer Price: [Issue Price/Not applicable/*specify*]
- (i) [Conditions to which the offer is subject:] [Not applicable/*give details*]
- (ii) [Time Period, including any possible amendments, during which the offer will be open] [Not applicable/*give details*]
- (iii) [Description of the application process:] [Not applicable/*give details*]
- (iv) [Details of the minimum and/or maximum amount of application:] [Not applicable/*give details*]
- (v) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not applicable/*give details*]
- (vi) [Details of the method and time limits for paying up and delivering the Notes:] [Not applicable/*give details*]
- (vii) [Manner in and date on which results of the offer are to be made public:] [Not applicable/*give details*]
- (viii) [Whether tranche(s) have been reserved for certain countries:] [Not applicable/*give details*]
- (ix) [Procedure for exercise of any right of pre-emption,] [Not applicable/*give details*]

negotiability of subscription rights and treatment of subscription rights not exercised:]

- (x) [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not applicable/*give details*]
- (xi) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not applicable/*give details*]
- (xii) [Name(s) and address(es), to the extent known to the Issuer, of the placers] [None/*give details*]

ANNEX – SUMMARY OF THE ISSUE

*This summary relates to [insert description of Notes] described in the final terms (the "**Final Terms**") to which this summary is annexed. This summary contains that information from the summary set out in the Prospectus which is relevant to the Notes together with the relevant information from the Final Terms. Words and expressions defined in the Final Terms and the Prospectus have the same meanings in this summary.*

[Insert completed summary by amending and completing the summary of the base prospectus as appropriate to the terms of the specific issue].

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

STORA ENSO OYJ

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Euro [4,000,000,000] Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 March 2015 [and the Prospectus Supplement No. [] dated []] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended by the directive 2010/73/EU (the "**Prospectus Directive**")]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. Copies of such Base Prospectus may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended by the directive 2010/73/EU (the "**Prospectus Directive**")]¹ and must be read in conjunction with the Base Prospectus dated 25 March 2015 [and the Prospectus Supplement No. [] dated []] [which [together] constitute] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [15 March 2011]/[27 March 2012]/[27 March 2013]/[3 April 2014]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 25 March 2015 and [15 March 2011]/[27 March 2012]/[27 March 2013]/[3 April 2014]. Copies of such documents may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectuses and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*.)

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote instructions for completing the Final Terms.]

1. (a) Series Number: [•]
- (b) Tranche Number: [•]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount:
 - Tranche: [•]
 - Series: [•]
4. Issue Price [•] per cent. of the Aggregate Nominal Amount

- [plus accrued interest from [•]]
5. (a) Specified Denominations: [•]
 (b) Calculation Amount [•]
6. (a) Issue Date: [•]
 (b) Interest Commencement Date: Issue Date/Not Applicable
7. Maturity Date: [•]
8. Interest Basis: [[•] per cent. Fixed Rate]
 (As referred to under Condition 4) [[LIBOR/EURIBOR/STIBOR]+/- [•] per cent. Floating Rate]
 [Zero Coupon]
9. Redemption/Payment Basis: [Redemption at par]
 (As referred to in Condition 6) [Partly Paid]
 [Instalment]
10. Put/Call Options: [Investor Put]
 (As referred to under Condition 6) [Issuer Call]
 [(further particulars specified below)]
11. Date [Board] approval for issuance of [•]
 Notes obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** (As referred to under Condition 4a) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [•] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]
 (As referred to under Condition 4(a))
- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]
 (As referred to under Condition 4(a))
- (c) Fixed Coupon Amount(s): [•] per Calculation Amount
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (e) Day Count Fraction: [[30/360] or [Actual/Actual (ICMA)]]
 (As referred to in Condition 4(a))
- (f) [Determination Date(s): [•] in each year
 (As referred to in Condition 4(a)(i))

NB: Only relevant where Day Count Fraction is

Actual/Actual (ICMA))]

13. **Floating Rate Note Provisions** (as [Applicable/Not Applicable]
referred to under Condition 4(b))

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Specified Period(s): [•]
(as referred to in Condition 4(b))
- (b) Specified Interest Payment Dates [•]
(as referred to in Condition 4(b))
- (c) First Interest Payment Date: [•]
- (d) Business Day Convention: [Floating Rate Convention/Following Business
(as referred to in Condition 4(b)) Day Convention/Modified Following Business Day
Convention/Preceding Business Day Convention]
- (e) Additional Business Centre(s): [•]
(as referred to in Condition
4(b)(i))
- (f) Manner in which the Rate of [Screen Rate Determination/ISDA Determination]
Interest and Interest Amount is to
be determined:
(as referred to in Condition
4(b)(ii))
- (g) Party responsible for calculating [•]
the Rate of Interest and Interest
Amount (if not the Agent):
- (h) Screen Rate Determination: [•]
(as referred to in Condition
4(b)(ii)(B))
 - Reference Rate: [•]
 - Interest Determination [•]
Date(s):
 - Specified Time: [•]
 - Relevant Screen Page: [•]
- (i) ISDA Determination: [•]
(as referred to in Condition
4(b)(ii)(A))
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (j) Margin(s): [+/-] [•] per cent. per annum
- (k) Minimum Rate of Interest: [•] per cent. per annum
- (l) Maximum Rate of Interest: [•] per cent. per annum

(m) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual;
 (As referred to under Condition 4(b)) Actual/365 (Fixed);
 Actual/365 (sterling);
 Actual/360;
 30/360;
 30E/360;
 30E/360 (ISDA);
 Other]

14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
 (As referred to under Condition 4(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Accrual Yield: [•] per cent. per annum

(b) Reference Price: [•]

(c) Any other formula/basis of determining amount payable: [•]

(d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Not Applicable/Conditions 6(e) (iii) and 6(j) apply]

PROVISIONS RELATING TO REDEMPTION

15. Issuer Call: [Applicable/Not Applicable]
 (as referred to in Condition 6(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Optional Redemption Date(s): [•]

(b) Optional Redemption Amount: [[•] per Calculation Amount/Make-Whole Redemption Amount]

(c) If redeemable in part: [[Applicable]/[Not Applicable]]

(i) Minimum Redemption Amount: [•]

(ii) Higher Redemption Amount: [•]

(d) Notice period (if other than as set out in the Conditions) [•]

(e) Benchmark Security: [•]

(f) Reference Time: [•]

(g) Make-Whole Margin: [•]

(h) Linear Interpolation: [Applicable/Not Applicable]

16. Investor Put: [Applicable/Not Applicable]
 (as referred to in Condition 6(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount]
- (c) Notice period (if other than as set out in the Conditions): [•]
17. Final Redemption Amount [•] per Calculation Amount
 (as referred to in Condition 6(a)) *(Notes must be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount)*
18. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same: [•] per Calculation Amount
 (as referred to in Condition 6(e))

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only on an Exchange Event.]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
 [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
20. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
21. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
22. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
23. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
24. Redenomination applicable: Redenomination [not] applicable
25. Whether TEFRA D or C Rules applicable: [TEFRA D/TEFRA C]

For and on behalf of STORA ENSO OYJ:

By: _____
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on its Regulated Market]/[listed on [•] and admitted to trading on [•]] with effect from [•].[Not Applicable]]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: [The Notes to be issued have not been rated]/[The Notes to be issued have been rated:]

[Standard & Poor's Credit Market Services Europe Limited:[•]]

[Moody's Deutschland GmbH: [•]]

[[*specify*]]; [•]]

[[•] [are]/[is] established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation"). [•] appear(s) on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer(s)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *Amend as appropriate if there are other interests*]

4. YIELD [•]

Indication of yield:

5. OPERATIONAL INFORMATION

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [•]

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the "Terms and Conditions" or the "Conditions") to be issued which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, attached to, or incorporated by reference in each Temporary Global Note, Permanent Global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Stora Enso Oyj (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a Global Note; and
- (iii) any Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 25 April 2015 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to "**Coupons**" or "**coupons**" shall, unless the context otherwise requires, be deemed to include a reference to "**Talons**" or "**talons**". Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Coupons, Talons or Receipts attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the "**Conditions**"). References herein to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which are attached to, incorporated by reference in, or endorsed on this Note.

Any reference herein to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 27 March 2012 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms (if this Note is a listed Note) are available for viewing at www.bourse.lu and copies may be obtained from the office of the Issuer and the specified offices of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms and the Deed of Covenant which are applicable to them. The statements in the Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, "Euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

1. **Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held, on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), the bearer of the relevant Global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent and specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Agent.

2. **Status of the Notes**

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. **Negative Pledge**

So long as any of the Notes remains outstanding (as defined in the Agency Agreement) the Issuer undertakes that if it shall, or any Principal Subsidiary shall, in the future, secure any Relevant Obligation now or hereafter existing, by any mortgage, charge, pledge, lien or other encumbrance upon any of the present or future revenues, properties or assets of the Issuer or any Principal Subsidiary, the Issuer shall procure that the Notes and the relative Receipts and Coupons shall be secured by such mortgage, charge, pledge, lien or other encumbrance equally and rateably with such Relevant Obligation or such other security for the Notes and the relative Receipts and Coupons shall be provided as shall be approved by Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

As used in these Conditions:

(i) **"Principal Subsidiary"** means any Subsidiary (as defined in the Agency Agreement) of the Issuer other than Stora Enso (Guangxi) Packaging Company Ltd., Stora Enso (Guangxi) Forestry Company Ltd., Guangxi Stora Enso Forestry Co Ltd. and any other Subsidiary incorporated in China that may from time to time be established solely for the purposes of the construction, development or operation of the project in Guangxi, China:

(A) whose net sales attributable to the Issuer (consolidated in the case of a Subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10 per cent, of the consolidated net sales attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or

(B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary,

all as more particularly described in the Agency Agreement; and

(ii) **"Relevant Obligation"** means any loan, debt or other obligation for borrowed moneys of the Issuer or the relevant Principal Subsidiary (excluding any such obligation arising in respect of the purchase of goods in the ordinary course of business of the Issuer or the relevant Principal Subsidiary) which is (A) initially offered, as to at least 50 per cent, of the principal amount thereof, to non-residents of Finland and (B) is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over the counter or other securities market (for which purpose any such obligation shall be deemed not to be capable of being quoted, listed, dealt in or traded as aforesaid if the terms of its issue expressly so provide).

4. **Interest**

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (ii) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

In the Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) Interest on Floating Rate Notes

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the "**Floating Rate Convention**", such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*, or (ii) in the case of (y), above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney and if New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms, which may be, without limitation:

- (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-

paragraph-(A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-Zone inter-bank offered rate ("**EURIBOR**") or on the Stockholm inter-bank offered rate ("**STIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero, and a copy of the ISDA Definitions will be available for inspection (free of charge) at the registered office of the Issuer.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR, the "**Specified Time**") on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of Condition (B)(i) above, no such offered quotation appears or, in the case of Condition (B)(ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate

of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter bank market (if the Reference Rate is LIBOR), the Euro Zone inter bank market (if the Reference Rate is EURIBOR) or the Stockholm interbank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter bank market (if the Reference Rate is LIBOR), the Euro Zone inter bank market (if the Reference Rate is EURIBOR) or the Stockholm interbank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR or STIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

In the Conditions, "**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Agent or as specified in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

Subject to the provisions of Condition 4(b)(ii)(A), if the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period

determined in accordance with the provisions of paragraph-(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Zero Coupon Notes*

Where a Zero Coupon Note becomes due and repayable and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 6(b) and notified in accordance with Condition 4(b)(v), *mutatis mutandis*.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13 or individually.

5. **Payments**

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney, or if New Zealand dollars, shall be Auckland); and
- (ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmaturing Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturing Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmaturing Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturing Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or

not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the payment obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes "**Payment Day**" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (A) in relation to any definitive Notes only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars, shall be Sydney or, if New Zealand dollars, shall be Auckland) or in relation to any sum payable in Euro, a day on which the TARGET2 System is open.
- (f) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Agent and in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days (in the case of Notes in definitive form), seven days (in the case of Notes in global form) or such other period as is specified in the applicable Final Terms before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. If applicable, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms.

If the Optional Redemption Amount specified in the relevant Final Terms is the "**Make-Whole Redemption Amount**", the amount payable on the relevant Optional Redemption Date will be the higher of:

- (i) the nominal amount of the Notes; and
- (ii) the price, expressed as a percentage of the nominal amount of the Notes (rounded to four decimal places with 0.00005 being rounded upwards), at which the then current yield on the Notes on the Reference Date would be equal to the current yield (determined by reference to the middle market price) at the Reference Time on the Reference Date of the relevant Benchmark Security plus the Make-Whole Margin, as determined by the Calculation Agent.

The "**Benchmark Security**", the "**Reference Time**" and the "**Make-Whole Margin**" will be specified in the relevant Final Terms, provided however that, if "Linear Interpolation" is specified as applicable in the relevant Final Terms, the current yield of the Benchmark Security shall be determined by linear interpolation (calculated to the nearest one twelfth of a year) of the yields of the two Benchmark Securities specified in the Final Terms.

The "**Reference Date**" means the date which is three London Business Days prior to the date fixed for redemption.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of

Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraphic) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) or such other period of notice as is specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, subject to and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6(d) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) Early Redemption Amounts

For the purpose of Condition 6(b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

(f) Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(e) above.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, unless otherwise specified in the applicable Final Terms, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the applicable Final Terms.

(h) Purchases

The Issuer may, subject as provided in the next paragraph, at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) Late payment on Zero Coupon Notes

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. **Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(e)); or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein,

- (i) "**Tax Jurisdiction**" means Finland or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. **Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") shall occur:

- (i) default is made in the payment of any principal of any of the Notes for a period of seven days or of any interest in respect of any of the Notes for a period of 15 days after written notice of such default, given by the holder of such Note, has been received by the Agent on behalf of the Issuer; or

- (ii) the Issuer or any Principal Subsidiary is adjudicated or found insolvent by any competent court; or
- (iii) winding up, insolvency, administration or moratorium proceedings are instituted against the Issuer or any Principal Subsidiary and are not dismissed or stayed within 30 days after institution, or the Issuer or any Principal Subsidiary applies for institution of such proceedings, or makes an arrangement for the benefit of its creditors; or
- (iv) any order is made by any competent court, or any resolution is passed by the Issuer or any Principal Subsidiary to apply, for judicial composition or administration proceedings with its creditors or for the appointment of a receiver or administrator or other similar official in insolvency or administration proceedings in relation to the Issuer or any Principal Subsidiary or a substantial part of the assets of the Issuer or any Principal Subsidiary's assets, except for any winding-up, dissolution, liquidation or other similar proceedings involving a Principal Subsidiary while solvent; or
- (v) the Issuer or any Principal Subsidiary stops or threatens to stop payment or is wound up or dissolved (except for the purposes of a merger, demerger or solvent liquidation (or other similar arrangement) in which any Principal Subsidiary merges with or demerges into any other Subsidiary of the Issuer or is wound-up or dissolved while solvent) or ceases to carry on the whole or substantially the whole of its business or is unable to pay its debts as they fall due; or
- (vi) any Indebtedness in an aggregate amount of at least €50,000,000 (or its equivalent in any other currency or currencies) for borrowed money of the Issuer or any Principal Subsidiary (including Indebtedness arising under a guarantee for borrowed money) becomes repayable prior to the due date for repayment thereof by reason of a default by the Issuer or any Principal Subsidiary and any steps are taken to obtain repayment or any such Indebtedness is not repaid on such due date as extended by any applicable grace period therefor (unless the Issuer or the relevant Principal Subsidiary is contesting in good faith the fact that such indebtedness has become so repayable or has not been repaid) or any security granted in respect of such indebtedness is enforced on behalf of or by the creditor(s) entitled thereto (except for any enforcement which is frivolous or vexatious and is dismissed within 30 days); or
- (vii) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it under the Notes or the Agency Agreement insofar as it relates to the Notes (other than any obligation for the payment of any principal or interest in respect of the Notes) and such default continues for 30 days after written notice thereof has been given by any holder of a Note to the Agent on behalf of the Issuer requiring the same to be remedied; or
- (viii) any governmental order, decree or enactment is made in Finland whereby the Issuer will or would, but for the provisions of this sub-paragraph-(viii), be prevented from observing or performing in full its obligations under the Notes and these circumstances are not cured within three months of the making of such order, decree or enactment,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purpose of paragraph (vi) above, (a) "**Indebtedness**" means any bonds, debentures, notes or other instruments of indebtedness or any other loan indebtedness, and (b) any Indebtedness which is in a currency other than Euro shall be translated into Euro at the "spot" rate for the sale of the Euro against the purchase of the relevant currency as quoted by the Agent on the calendar day in London corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

10. **Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent, subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (iii) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

13. **Notices**

All notices regarding the Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tagblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a

manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. **Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent, in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent, in nominal amount of the Notes for the time being outstanding or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than 75 per cent, in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes ranking *pari passu* in all respects and having the same Terms and Conditions (save for their Issue Date, Interest Commencement Date, Issue Price and/or the amount and date of the first payment of interest thereon), and so that the same shall be consolidated and form a single Series with, the outstanding Notes.

16. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. **Governing law and submission to jurisdiction**

- (a) The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.
- (b) The Issuer agrees, for the exclusive benefit of the Paying Agents, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipt and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 17 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints Stora Enso Holdings UK Limited at its registered office at New Mill Road, Orpington, Kent BR5 3TW as its agent for service of process, and undertakes that, in the event of Stora Enso Holdings UK Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer hereby irrevocably and unconditionally waives with respect to the Agency Agreement, the Notes, the Receipts and/or the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which includes making a profit.

DESCRIPTION OF THE ISSUER

Overview

Stora Enso Oyj ("**Stora Enso**" or the "**Company**" and with its subsidiaries, the "**Group**") is a leading provider of renewable solutions in packaging, biomaterials, wood and paper on global markets. The Company's goal is to replace non-renewable materials by innovating and developing new products and services based on wood and other renewable materials. Stora Enso's focus is on fibre-based packaging, plantation-based pulp, innovations in biomaterials and sustainable building solutions, and its customers include packaging, joinery and construction industries as well as publishers, printing houses and paper merchants. The Group's sales totalled €10.2 billion in 2014, with an operating profit of €400 million. As at 31 December 2014, it had 27,200 employees and an annual production capacity of 5.6 million tonnes of chemical pulp, 11.3 million tonnes of paper and board, 1.3 billion square metres of corrugated packaging and 5.6 million cubic metres of sawn wood products, including 2.8 million cubic metres of value-added products. Stora Enso's shares are listed on NASDAQ OMX Helsinki Ltd and NASDAQ OMX Stockholm AB.

Stora Enso made certain revisions to its organisational structure in 2014. As of 1 September 2014, the Printing and Living Division was divided into two separate Divisions: Printing and Reading, and Building and Living. The Global Identity function was split into two entities: Global Communications and Global Responsibility. On 18 December 2014 Stora Enso announced a new organisational structure for the Renewable Packaging Division. The Division was split into two: Consumer Board and Packaging Solutions. Both new Divisions became separate reporting segments as of 1 January 2015. The names of the Building and Living Division and Printing and Reading Division were changed to Wood Products and Paper, respectively.

As of 1 January 2015, Stora Enso's reporting segments are: Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. The first financial report according to the new reporting segment structure will be the first quarter 2015 Interim Review, which will be released on 22 April 2015. Historical figures according to the new reporting structure were published on 18 March 2015. Stora Enso's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper. The new organisational structure is intended to strengthen Stora Enso's focus on customers, business performance and growth. In addition, it will increase the transparency of financial reporting.

Stora Enso Oyj is a public limited liability company and was incorporated for an unlimited duration under the Finnish Companies Act and is domiciled in the City of Helsinki. It was registered with the Finnish Trade Register on 1 May 1996 with business identity code 1039050-8. The registered office of Stora Enso Oyj is at Kanavaranta 1, FI-00160 Helsinki, Finland, and its telephone number is +358 20 46 131.

The Company's Objects

Article 1.2 of the Company's Articles of Association sets out the Company's objects. The objects comprise operating, directly or through subsidiaries and associated companies, in the forest, engineering and chemical industries and other manufacturing industries, engaging in agriculture, forestry and merchant shipping as well as in mining industry, supply of hydro-power, building of hydro-electric facilities and financing. The Company may also engage in the sale of know-how and services in its own field of operations and carrying out of construction, operational, marketing and other corresponding assignments both in Finland and abroad.

Share Capital

As at 31 December 2014, the Company's fully paid-up share capital entered in the Finnish Trade Register was €1,342 million.

The Company's shares are divided into A and R shares. The A and R shares entitle holders to the same dividend but different voting rights. Each A share and each ten R shares carry one vote at a shareholders' meeting. However, each shareholder has at least one vote.

As at 31 December 2014, Stora Enso had 177,056,204 A shares and 611,563,783 R shares in issue, of which the Company held no A shares or R shares. The total number of Stora Enso shares in issue was 788,619,987 and the total number of votes was 238, 212,582.

Shareholders

As at 31 December 2014, 600,980,666 shares were registered in Euroclear Finland Oy, 168,242,178 in Euroclear Sweden AB 19,397,143 in American depositary receipt ("ADR") form in Deutsche Bank Trust Company Americas. Each nominee register is entered in the share register as one shareholder. As at 31 December 2014, approximately 690 million (87 per cent.) of the Company's shares were registered in the name of a nominee.

As at 31 December 2014, the two largest shareholders of the Company were Foundation Asset Management (10.2 per cent. of shares and 27.2 per cent. of votes) and Solidium Oy (12.3 per cent. of shares and 25.1 per cent. of votes).

The following table sets forth the major shareholders as at 31 December 2014:

By voting power		A shares	R shares	Percentage of shares	Percentage of votes
1	Foundation Asset Management	63,123,386	17,000,000 ⁽¹⁾	10.2	27.2
2	Solidium Oy ⁽²⁾	55,595,937	41,483,501	12.3	25.1
3	Social Insurance Institution of Finland	23,825,086	2,275,965	3.3	10.1
4	Varma Mutual Pension Insurance Company	15,572,117	140,874	2.0	6.5
5	MP-Bolagen i Vetlanda AB, MP Skog Aktiebolag (Werner von Seydlitz)	4,578,000	4,721,000	1.2	2.1
6	Ilmarinen Mutual Pension Insurance Company	3,492,740	7,173,189	1.4	1.8
7	Erik Johan Ljungberg's Education Foundation	1,780,540	2,336,224	0.5	0.8
8	Nordea Investment Funds	–	11,586,520	1.5	0.5
9	Swedbank Robur Funds	–	8,235,312	1.0	0.3
10	Bergslaget's Healthcare Foundation	626,269	1,609,483	0.3	0.3
11	The State Pension Fund	–	7,600,000	1.0	0.3
12	Keva (Local Government Pensions Institution)	–	5,321,001	0.7	0.2
13	Unionen (Swedish trade union)	–	5,297,200	0.7	0.2
15	Danske Bank a/s Helsinki filial	448,616	23,440	0.1	0.2
15	Schweizerische Nationalbank	–	3,238,793	0.4	0.1
Total		169,042,691	118,042,502	36.5 ⁽³⁾	75.7 ⁽³⁾
Nominee-registered shares		74,558,542	472,515,517	69.4 ⁽³⁾	51.1 ⁽³⁾

(1) As confirmed to Stora Enso.

(2) Entirely owned by the Finnish State.

(3) As some of the shareholdings on the list are nominee registered, the percentage figures do not add up to 100 per cent.

The list has been compiled by the Company on the basis of shareholder information obtained from Euroclear Finland Ltd, Euroclear Sweden AB and a database managed by Deutsche Bank Trust Company Americas. This information includes only directly registered holdings, thus certain holdings (which may be substantial) of ordinary shares and ADRs held in nominee or brokerage accounts cannot be included. The list is therefore incomplete.

Principal Subsidiaries

The following list sets forth the Company's 50 principal operating subsidiary undertakings as at 31 December 2014. Ranked by external sales in 2014, these companies along with the parent accounted for 97 per cent. of Group external sales in 2014. The principal country in which each subsidiary operates is the country of incorporation. The Group's effective interest in the undertakings is 100 per cent., except where indicated otherwise and is held in each case by a subsidiary undertaking except for those companies indicated in the table below which are held directly by the Issuer. The countries operating outside the eurozone are indicated in the table below.

Subsidiary Companies (ranked by external sales using 2014 reporting segments)

	Country	% Sales	Renewable Packaging	Bio-materials	Building and Living	Printing and Reading	Other
Stora Enso Oyj	Finland	26.17	X	X		X	X
Stora Enso Skoghall AB	Sweden	5.82	X				
Stora Enso Fors AB	Sweden	3.44	X				
Stora Enso Kvarnsveden AB	Sweden	3.19				X	

	Country	% Sales	Renewable Packaging	Bio-materials	Building and Living	Printing and Reading	Other
Stora Enso Skog AB	Sweden	3.02					X
Stora Enso Kabel GmbH & Co. KG.....	Germany	2.95				X	X
Stora Enso Nymölla AB	Sweden	2.94				X	
Stora Enso Maxau GmbH.....	Germany	2.68				X	
Stora Enso Langerbrugge NV	Belgium	2.50				X	
Stora Enso Publication Papers Oy Ltd.....	Finland	2.34				X	X
Stora Enso Wood Products GmbH.....	Austria	2.34			X		
Stora Enso Poland S.A.....	Poland	2.32	X				
Enocell Oy	Finland	2.10		X			
Stora Enso Hylte AB	Sweden	2.09				X	
Mena Wood Oy Ltd.....	Finland	1.99			X		
Stora Enso Ingerois Oy.....	Finland	1.95	X				
Stora Enso Pulp AB	Sweden	1.81		X			X
Sydved AB (66.7 per cent.)	Sweden	1.70					X
Stora Enso Sachsen GmbH.....	Germany	1.54				X	X
Puumerkki Oy	Finland	1.46			X		
Stora Enso Uetersen GmbH.....	Germany	1.36				X	
Stora Enso Amsterdam B.V.	Netherlands	1.27		X		X	
Mena Koper d.o.o.	Slovenia	1.18			X		
Stora Enso Suzhou Paper Co Ltd (97.9 per cent.)	China	1.17				X	
Stora Enso Eesti AS.....	Estonia	1.17			X		
Stora Enso Timber AB	Sweden	1.16			X		
Stora Enso Barcelona S.A.	Spain	1.14	X				
Stora Enso Arapoti Indústria de Papel S.A. (80 per cent.).....	Brazil	1.13				X	
Stora Enso Wood Products Zdirec s.r.o	Czech Republic	1.05			X		
OOO Stora Enso Packaging BB.....	Russia	0.99	X				
Stora Enso Wood Products Oy Ltd	Finland	0.90			X		
Stora Enso Packaging AB	Sweden	0.90	X				
Stora Enso Australia Pty Ltd	Australia	0.85				X	
Stora Enso Inpac Packaging Co. Ltd (51 per cent.)	China	0.80	X				
Stora Enso Packaging Oy	Finland	0.78	X				
Stora Enso WP Bad St. Leonhard GmbH	Austria	0.73			X		
Stora Enso Bioenergi AB	Sweden	0.68					X
Stora Enso Timber Deutschland GmbH	Germany	0.63			X		
Stora Enso Narew SP.z.o.o.....	Poland	0.62	X				
Stora Enso Huatai Paper Co Ltd (60 per cent.).....	China	0.55				X	
Stora Enso Wood Products Planá s.r.o	Czech Republic	0.50			X		
Guangxi Stora Enso Forestry Co Ltd (89.5 per cent.).....	China	0.45	X				
AS Stora Enso Latvija	Latvia	0.35			X		
Stora Enso Bois SAS	France	0.35			X		
Stora Enso Deutschland GmbH	Germany	0.31	X			X	X
Stora Enso Timber UK Ltd	United Kingdom	0.30			X		
UAB Stora Enso Lietuva	Lithuania	0.26			X		
Stora Enso Timber DIY Products B.V.	Netherlands	0.21			X		
Stora Enso Packaging SIA.....	Latvia	0.17	X				
Stora Enso Packaging UAB	Lithuania	0.16	X				
Puumerkki AS	Estonia	0.16			X		

Business Divisions

Overview

Stora Enso made certain revisions to its organisational structure in 2014. As of 1 September 2014, the Printing and Living Division was divided into two separate Divisions: Printing and Reading, and Building and Living. The Global Identity function was split into two entities: Global Communications and Global

Responsibility. On 18 December 2014 Stora Enso announced a new organisational structure for the Renewable Packaging division. The division was split into two: Consumer Board and Packaging Solutions. Both new divisions became separate reporting segments as of 1 January 2015. The names of the Building and Living division and Printing and Reading division were changed to Wood Products and Paper, respectively.

As of 1 January 2015, Stora Enso's reporting segments are: Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. Stora Enso's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper. With the new Division structure Stora Enso aims to strengthen its focus on customers, business performance and growth and to increase the transparency of its business and financial reporting. All of the Divisions report directly to the Stora Enso Chief Executive Officer.

The following table sets forth Stora Enso's sales by destination for the periods indicated:

	Sales by Destination	
	2014	2013
Europe	7,558	7,958
Australia/New Zealand	184	165
Brazil	173	207
China (including Hong Kong)	753	574
Japan	224	331
Middle East	286	427
Uruguay	11	14
United States	133	138
Others	891	749
Total Operations	<u>10,213</u>	<u>10,563</u>

Consumer Board

Stora Enso's Consumer Board Division is a global provider of high-quality boards for printing and packaging applications. Consumer Board products cover all major board categories and end-uses, such as liquid packaging boards, food service boards, graphical boards and carton boards for packaging cosmetics and luxury products, beverages, chocolates and confectionery, pharmaceuticals and cigarettes. Consumer Board operates five mills in Finland, Sweden and Spain. It is also expanding in growth markets such as China, India and Pakistan to meet the rising demand in these markets.

Packaging Solutions

Stora Enso's Packaging Solutions Division offers fibre-based packaging materials and innovative packaging solutions for consumer goods and industrial applications. Packaging Solutions operates in every stage of the value chain, from pulp production, material and packaging production to recycling. The container board mills are located in Finland and Poland, and the converting plants in ten countries in Europe and Asia.

Biomaterials

Stora Enso's Biomaterials Division develops new ways to maximise the value extractable from wood as well as other kinds of lignocellulosic biomasses. Sugars and lignin have the potential to be used in applications in the specialty chemical, construction, personal care and food industries. In addition, Biomaterials offers a variety of pulp grades to meet the demands of paper, board and tissue textile and hygiene product producers. Pulp is made from renewable resources in a sustainable manner, and has many different uses. Stora Enso's product range covers both long and short fibres, including Northern bleached softwood kraft and bleached hardwood kraft pulp (Birch and Eucalyptus), for printing and writing papers, specialty papers as well as for graphic papers, packaging paperboards and tissue. The fluff pulp Stora Enso produces is primarily used in diapers and hygiene products. The wide variety of Stora Enso's product range offers its customers solutions for different fibre needs from one point of contact.

All of Stora Enso's pulps come from sustainable sources. Stora Enso has set goals for its sustainability performance, both on environmental and social aspects, and has received international recognition for this work.

Biomaterials comprises three Nordic stand-alone pulp mills and Stora Enso's joint-venture Veracel and Montes del Plata pulp mills together with the associated tree plantations, the Pulp Competence Centre and Biorefinery. In addition, Biomaterials has new operations in the USA for developing technologies for extracting sugars from biomass.

Wood Products

Wood Products Division provides wood-based products and solutions for construction, 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. Wood Products operates globally and has more than 20 production units in Europe.

Paper

Paper Division is a supplier of paper from renewable sources for print media and office use. The main customer groups include publishers, retailers, printing houses, merchants, converters and office suppliers. Paper produces newsprint, book paper, super calendered (SC) paper, coated paper and office paper. The mills are located mainly in Europe, but also in Brazil and China. Three of the 16 mills produce paper based on 100 per cent. recycled fibre.

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.

Recent Developments

On 4 February 2015 Stora Enso announced that it is investing €3 million in a new production line for wooden building elements located in Varkaus, Finland. The investment is based on peeling technology which will further enhance Stora Enso's position as a global provider of high quality engineered wooden elements. The new products complement the existing product portfolio. Production is scheduled to begin in the second quarter of 2016. The estimated yearly capacity of the production line will be around 100,000 m³. The investment is expected to generate annual sales of €50 million when the production line has reached its full capacity. The investment will be funded with cash from operations and, as necessary, external borrowings.

On 4 February 2015 Stora Enso's Board of Directors proposed to the Annual General Meeting of shareholders convened for 22 April 2015 that a dividend of €0.30 per share be distributed with respect to the fiscal year 2014. The dividend would be paid to shareholders who on the record date of the dividend payment, 24 April 2015, are recorded in the shareholders' register maintained by Euroclear Finland Ltd. or in the separate register of shareholders maintained by Euroclear Sweden AB for Euroclear Sweden registered shares. Dividends payable for Euroclear Sweden registered shares will be forwarded by Euroclear Sweden AB and paid in Swedish krona. Dividends payable to ADR holders will be forwarded by Deutsche Bank Trust Company Americas and paid in U.S. dollars. The Board of Directors proposed to the AGM that the dividend be paid on 13 May 2015.

On 18 February 2015 Stora Enso announced that it had completed the divestment of its Uetersen specialty and coated fine paper mill in Germany ("Uetersen Mill") to a company mainly owned by the private equity fund Perusa Partners Fund 2. The loss on disposal amounted to approximately €30 million and was recorded as a non-recurring item in Stora Enso's fourth quarter 2014 operating profit. The transaction is expected to enhance Stora Enso's operational EBIT and cash flow from the second quarter of 2015. Based on 2014 annual figures, the divestment is expected to reduce Stora Enso's annual sales by €140 million. The divestment will also reduce Stora Enso's annual paper production capacity by approximately 240,000 tonnes.

Board of Directors and Management

Board of Directors

Gunnar Brock

Chairman of Stora Enso's Board of Directors since March 2010. Member of Stora Enso's Board of Directors since March 2005. Independent of the Company and the significant shareholders.

Born 1950. M.Sc. (Econ.). Swedish citizen.

Member of Stora Enso's Financial and Audit Committee and Chairman of the Remuneration Committee since March 2010. Member of the Nomination Board.

Chairman of the Boards of Directors of Mölnlycke Healthcare AB and Rolling Optics. Member of the Boards of Directors of Total SA, Investor AB, SOS-Children's Villages, Sweden, Stockholm School of Economics, GreenGold Capital AB, Stena AB and Syngenta International AG. Member of the Board of Directors of the Royal Swedish Academy of Engineering Sciences (IVA).

President and CEO of Atlas Copco Group between 2002 and 2009. President of Thule International between 2001 and 2002. President and CEO of Tetra Pak Group between 1994 and 2000. President and CEO of Alfa Laval between 1992 and 1994.

As at the date of this Prospectus, owns 61,292 R shares in Stora Enso.

Juha Rantanen

Vice Chairman of Stora Enso's Board of Directors since March 2010. Member of Stora Enso's Board of Directors since March 2008. Independent of the Company and the significant shareholders.

Born 1952. M.Sc. (Econ.). Finnish citizen.

Member of Stora Enso's Financial and Audit Committee since March 2010 and member of the Remuneration Committee since April 2014. Member of the Nomination Board.

Member of the Boards of Directors of Crisis Management Initiative – the Ahtisaari Centre, Suomen Messut – Finnexpo, Onvest Oy, Stalatube Oy and Teknikum Oy. Chairman of the Supervisory Board of Gasum Oy.

President and CEO of Outokumpu Group between 2005 and 2011. President and CEO of Ahlstrom Corporation between 1998 and 2004. CEO of Borealis A/S between 1994 and 1997.

As at the date of this Prospectus, owns 12,738 R shares in Stora Enso.

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.), Finnish citizen.

Chair of Stora Enso's Global Responsibility and Ethics Committee since April 2013.

Professor in Hanken School of Economics as of 1 January 2014. Vice Chairman of the Board of Directors of Aalto University Foundation. Member of the Boards of Directors of Sampo Plc, Kone Plc, Sanoma Plc, the Research Institute of the Finnish Economy ETLA and the Finnish Business and Policy Forum EVA.

Executive Vice President, Corporate Relations and Strategy and Member of the Management Team of Fortum Corporation between 2009 and 2012. President and CEO of the Finnish Forest Industries Federation between 2006 and 2009. Director General in the Finnish Ministry of Finance between 2003 and 2005 and several positions in the Bank of Finland between 1992 and 2000 and the European Commission between 2000 and 2002.

As at the date of this Prospectus, owns 9,029 R shares in Stora Enso.

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), French citizen.

CEO of MW Brands as of 26 August 2013. Member of the Board of Directors of Carlsberg Company. Senior Vice President, Emerging Markets and Regional Vice President, France, Benelux, Russia and Turkey, in Kellogg Company between 2001 and 2013. General Manager, Europe, in Yoplait, Sodial Group between 1998 and 2001 and several management positions in Danone Group between 1979 and 1997.

As at the date of this Prospectus, owns 9,029 R shares in Stora Enso.

Hock Goh

Member of Stora Enso's Board of Directors since April 2012. Independent of the Company and the significant shareholders.

Born 1955. B.Sc. (Mechanical Engineering). Singaporean citizen.

Chairman of the Board of Directors of Advent Energy Limited since 2007 and Operating Partner of Baird Capital Partners Asia between 2005 and 2012. Several managerial positions in Schlumberger Ltd between 1995 and 2005. Chairman of the Board of Directors of MEC Resources and member of the Boards of Directors of Santos Australia, BPH Energy, KS Distribution Pte Ltd and AB SKF.

As at the date of this Prospectus, owns 14,812 R shares in Stora Enso.

Birgitta Kantola

Member of Stora Enso's Board of Directors since March 2005. Independent of the Company and the significant shareholders.

Born 1948. LL.M., Econ. Dr.H.C. Finnish citizen.

Member of Stora Enso's Financial and Audit Committee since March 2005 and Chair of the Audit Committee since April 2009. Member of Stora Enso's Global Responsibility and Ethics Committee since April 2013.

Member of the Boards of Directors of Skandinaviska Enskilda Banken AB (publ) and Nobina AB.

Vice President and CFO of International Finance Corporation (World Bank Group), Washington D.C. between 1995 and 2000. Executive Vice President of Nordic Investment Bank between 1991 and 1995.

As at the date of this Prospectus, owns 31,017 R shares in Stora Enso.

Mikael Mäkinen

Member of Stora Enso's Board of Directors since March 2010. Independent of the Company and the significant shareholders.

Born 1956. M.Sc. (Eng.). Finnish citizen.

Member of Stora Enso's Financial and Audit Committee since April 2013.

President and CEO of Cargotec Oyj between 2006 and 2012. President of Cargotec Marine between 2012 and 2013. Group Vice President, Ship Power, Wärtsilä between 1999 and 2006. Managing Director of Wärtsilä NSD Singapore between 1997 and 1998. Vice President, Marine, Wärtsilä SACM Diesel between 1992 and 1997.

As at the date of this Prospectus, owns 21,705 R shares in Stora Enso.

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 Foundation Asset Management ("FAM").

Born 1970. B.Sc.(Business Administration and Economics). Swedish citizen.

Member of the Boards of Directors of Bergvik Skog AB, Boston-Power Inc. and Cellutech AB. Investment Manager at FAM since 2008. Pulp & paper research analyst at SEB Enskilda between 2000 and 2008, Alfred Berg between 1995 and 2000 and Handelsbanken between 1994 and 1995.

As at the date of this Prospectus, owns 7,162 R shares in Stora Enso.

Hans Stråberg

Member of Stora Enso's Board of Directors since April 2009. Independent of the Company and the significant shareholders.

Born 1957. M.Sc. (Eng.). Swedish citizen.

Member of Stora Enso's Remuneration Committee since March 2010.

Chairman of the Boards of Directors of Roxtec AB, Orchid First Holding AB, CTEK First Holding AB, Atlas Copco AB and Nikkarit Holding AB. Member of the Boards of Directors of Investor AB, N Holding AB, Mellby Gård AB and Hedson Technologies International AB.

President and CEO of AB Electrolux (publ) between 2002 and 2010. Several management positions at Electrolux (publ) in Sweden and the United States between 1983 and 2002.

As at the date of this Prospectus, owns 24,590 R shares in Stora Enso.

The independence of the members of the Board of Directors is evaluated in accordance with Recommendation 15 of the Finnish Corporate Governance Code. The significant shareholder according to the Recommendation is a shareholder who holds more than 10 per cent. of all company shares or the votes carried by all the shares or a shareholder that has the right or the obligation to purchase 10 per cent. of already issued shares.

The business address of each member of the Board of Directors is Kanavaranta 1, FI-00160 Helsinki, Finland.

Other than as disclosed above, Stora Enso confirms that there is no potential conflict of interest between the duties of each of the members of the Board of Directors and his/her private interests.

On 4 February 2015, the Nomination Board proposed that the current members of the Board of Directors (Gunnar Brock, Anne Brunila, Elisabeth Fleuriot, Hock Goh, Mikael Mäkinen, Richard Nilsson, Juha Rantanen and Hans Stråberg) be re-elected members of the Board of Directors until the end of the following Annual General Meeting in 2016.

Birgitta Kantola has announced that she is not available for re-election to the Board of Directors.

Group Leadership Team

Karl-Henrik Sundström

Chief Executive Officer.

Born 1960. B.Sc. (Business Studies). Swedish citizen.

Member of the Group Leadership Team since August 2012. Joined the Company in August 2012. Executive Vice President, Printing and Living until 31 July 2014. Served as the CFO of the Company until 30 June 2013.

Prior to joining Stora Enso, CFO of NXP Semiconductors between 2008 and 2012 and prior to that CFO and several managerial positions in Ericsson.

Member of the Boards of Directors of Swedbank and Sustainable Energy Angels AB.

As at the date of this Prospectus, owns 26,667 R shares in Stora Enso and 56,832 R shares in Stora Enso through Alma Patria AB (related party).

Seppo Parvi

Chief Financial Officer, Deputy to the CEO, Country Senior Executive, Finland.

Born 1964. M.Sc. Finnish citizen.

Member of the Group Leadership Team since February 2014 when he joined the Company.

Prior to joining Stora Enso, CFO and EVP, Food and Medical Business Area, Ahlstrom Corporation from 2009 to 2014 and CFO for Metsä Board (M-real) from 2006 to 2009. Prior to that various line management positions at packaging company Huhtamäki, including responsibilities in paper manufacturing within Rigid Packaging Europe and as General Manager for Turkey.

As at the date of this Prospectus, owns 5,440 R shares in Stora Enso.

Juan Carlos Bueno

Executive Vice President, Head of Stora Enso Biomaterials.

Born 1968. M.Sc. (Industrial Eng.). Colombian citizen.

Member of the Group Leadership Team since April 2011. Joined the Company in April 2011. EVP, Stora Enso Latin America until 16 January 2012.

Vice President of DuPont Agricultural Products in Brazil between 2006 and 2011. Prior to that several finance, sales, marketing and general business management positions in DuPont in other Latin American countries, the United States, Europe, Middle East and Africa. Chairman of the Board of Directors of Montes del Plata and member of the Board of Directors of Veracel.

As at the date of this Prospectus, does not own shares or options in Stora Enso.

Johanna Hagelberg

Executive Vice President Sourcing.

Born 1972. M.Sc. (Industrial Engineering & Management) and M.Sc. (Engineering and Management of Manufacturing Systems). Swedish citizen.

Member of the Group Leadership Team since November 2014. Joined the company in 2013 as SVP Sourcing, Printing and Living.

Chief Procurement Officer at Vattenfall AB between 2010 and 2013. Prior to that leading Sourcing positions at NCC, RSA Scandinavia and within the Automotive Industry.

As at the date of this Prospectus, owns 1,220 R shares in Stora Enso.

Kati ter Horst

Executive Vice President, Head of Stora Enso Paper.

Born 1968. MBA (International Business) and M.Sc. (Marketing). Finnish citizen.

Member of the Group Leadership Team since September 2014. Joined the Company in 1996. Senior Vice President, Paper Sales, Stora Enso Printing and Living until 31 August 2014.

Has held several managerial positions in the paper business.

As at the date of this Prospectus, owns 9,578 R shares in Stora Enso.

Lars Haggström

Executive Vice President, Global People and Organisation.

Born 1968. B.Sc. (HR Development and Labour Relations). Swedish citizen.

Member of the Group Leadership Team since October 2010. Joined the Company in October 2010.

Head of Group HR at Nordea Bank AB from June 2008 to September 2010. Prior to that several managerial HR positions in, inter alia, Gambro AB, AstraZeneca and Telia, and various HR positions at Eli Lilly & Co. between 1995 and 2002, including Director of Human Resources in Latin America.

As at the date of this Prospectus, owns 19,474 R shares in Stora Enso.

Terhi Koipijärvi

Executive Vice President (acting), Global Responsibility, until 1 April 2015.

Born 1967. M.Sc. (Forestry and Forest Products Marketing). Finnish citizen.

Acting member of the Group Leadership Team since September 2014. Joined the Company in November 2010. SVP, Global Responsibility until 31 August 2014.

SVP for Environmental Affairs and Corporate Responsibility at Metsä Group between 2007 and 2010. Prior to that several operational and strategic management positions in forest industry with wide international scope.

Member of the Finnish Forest Museum Lusto. Member of the Supervisory Board of the Finnish 4H Organisation.

As at the date of this Prospectus, owns 2,774 R shares in Stora Enso.

Jari Latvanen

Executive Vice President, Head of Consumer Board.

Born 1964. MBA, BBA. Finnish citizen.

Member of the Group Leadership Team since January 2015. Joined the company in January 2015.

CEO, Findus Nordic, Central and Eastern Europe between 2010 and 2014. Before that, long international career within Nestlé group and several leadership positions within the food industry. Member of the Board of Directors of Northforce Oy.

As at the date of this Prospectus, does not own shares or options in Stora Enso.

Ulrika Lilja

Executive Vice President, Global Communications.

Born 1975. M.Sc. (Business Administration and Economics). Swedish citizen.

Member of the Group Leadership Team since September 2014. Joined the company in January 2014. Senior Vice President Communications, Stora Enso Printing and Living until 31 August 2014.

Director External Communications at SSAB in Sweden between 2010 and 2013. Prior to that several leading communications positions at OMX Stockholm Stock Exchange and Neonet.

As at the date of this Prospectus, owns 13,355 R shares in Stora Enso.

Per Lyrvall

Executive Vice President, Global Ethics and Compliance, General Counsel, Country Senior Executive, Sweden.

Born 1959. Swedish Master of Laws degree. Swedish citizen.

Member of the Group Leadership Team since March 2012. Joined the Company in August 1994. General Counsel since 2008.

Prior to joining Stora Enso, held several positions in Levander Gawell Law Firm, AssiDomän AB, Stockholm Court of Appeal, Lindahl Law Firm and Södra Roslags District Court.

Member of the Boards of Directors of Bergvik Skog AB, Montes del Plata and Skogsindustrierna.

As at the date of this Prospectus, owns 33,708 R shares in Stora Enso.

Jari Suominen

Executive Vice President, Head of Stora Enso Wood Products.

Born 1969. M.Sc. (Business Administration). Finnish citizen.

Member of the Group Leadership Team since September 2014. Joined the company in 1995. Senior Vice President, head of Building & Living Business Area until 31 August 2014.

Has held several managerial positions in paper and wood products businesses.

As at the date of this Prospectus, owns 15,540 R shares in Stora Enso

Noel Morrin

Executive Vice President, Head of Global Responsibility as of 1 April 2015.

Born 1959. BSc. (Biology and Chemistry). Irish citizen.

Member of the Group Leadership Team as of 1 April 2015 when he joined the Company. Has held several leadership positions in the field of sustainability and environmental affairs, most recently, since 2005, as SVP for Sustainability & Green Support at Skanska in Sweden. Prior to that, served as Group Environment Director of RMC Group, and prior to that, held senior positions at UK National Environmental Technology Centre, the British NGO Business in the Community and ICI.

As at the date of this Prospectus, does not own shares or options in Stora Enso

Gilles van Nieuwenhuyzen

Executive Vice President, Head of Stora Enso Packaging Solutions.

Born 1959. M.Sc. (Applied Physics), MBA. Dutch citizen.

Member of the Group Leadership Team since 16 March 2015. Joined the Company in 2015. President of the Enablers division at DuPont Nutrition & Health (formerly Danisco) between 2010 and 2015. Prior to that, held senior management positions at the Dutch food ingredients group CSM (now Corbion), Rexam (in coated films and papers), and DSM (in chemicals and polymers), among others. Prior to that, worked at McKinsey & Company.

As at the date of this Prospectus, does not own any shares or options in Stora Enso.

Markus Mannström

Chief Technology Officer, Head of Group Technology.

Born 1963. M.Sc. (Paper Technology). Finnish citizen.

Member of the Group Leadership Team since 16 March 2015. Joined the Company in 2001. Worked on several large investment and R&D projects in the Company, and served most recently as General Manager of Stora Enso's Guangxi project in China. Prior to that, held the position of SVP, Investments and Operations, Renewable Packaging. Prior to that, responsible for Stora Enso's investment processes, including fund allocation, project development and steering projects in progress and involved in two major paper machine investment projects..

As at the date of this Prospectus, owns 18,860 R shares in Stora Enso.

The business address of each member of the Group Leadership Team is Kanavaranta 1, FI-00160 Helsinki, Finland.

Stora Enso confirms that there is no potential conflict of interest between the duties of each of the members of the Group Leadership Team and his/her private interests.

Corporate Governance Regime

In its decision making and administration, Stora Enso applies the Finnish Companies Act, the Finnish Securities Markets Act, the rules and recommendations of the NASDAQ OMX Helsinki and the NASDAQ OMX Stockholm stock exchanges, and Stora Enso's Articles of Association. Stora Enso also complies with both the Finnish Corporate Governance Code of the Finnish Securities Market Association and the Swedish Corporate Governance Code. Due to differences between the Swedish and Finnish legislation, governance code rules and corporate governance practises, Stora Enso's decision making and administration deviates from the Swedish Corporate Governance Code in certain aspects.

Financial and Audit Committee

The Board has a Financial and Audit Committee to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews the system of internal control, management and reporting of financial risks, the audit process and the annual corporate governance statement. It makes recommendations regarding the appointment of external auditors for the parent company and its main subsidiaries.

The Committee comprises three to five Board members, who are independent and not affiliated with the Company. At least one Committee member must be a financial expert, who has significant knowledge and experience in accounting and accounting principles applicable to Stora Enso.

The Financial and Audit Committee meets regularly, at least four times a year. The Committee meets the external and internal auditors regularly without Stora Enso management being present. The Chairman of the Committee presents a report on each Financial and Audit Committee meeting to the Board. The tasks and responsibilities of the Financial and Audit Committee are defined in its charter, which is approved by the Board. Financial and Audit Committee members may receive remuneration solely based on their role as directors. The remuneration is decided upon by the shareholders at the Annual General Meeting of Shareholders.

As at the date of this Prospectus, the members of the Financial and Audit Committee are Birgitta Kantola (Chair), Gunnar Brock, Juha Rantanen and Mikael Mäkinen.

Remuneration Committee

The Board has a Remuneration Committee which is responsible for recommending, evaluating and approving executive nominations and remunerations (including the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans. The Board appoints the CEO and approves his/her remuneration.

The Committee is comprised of three to four Board members who are independent and not affiliated with the Company. The Remuneration Committee meets regularly, at least once a year. The Chairman of the Committee presents a report on each Remuneration Committee meeting to the Board. The tasks and responsibilities of the Remuneration Committee are defined in its charter, which is approved by the Board.

As at the date of this Prospectus, the members of the Remuneration Committee are Gunnar Brock (Chairman), Hans Stråberg and Juha Rantanen.

Global Responsibility and Ethics Committee

The Board has a Global Responsibility and Ethics Committee which is responsible for overseeing the Company's global responsibility and ethical business conduct, as the Company strives to be a responsible corporate citizen and contribute to sustainable development.

The Committee regularly reviews Stora Enso's Global Responsibility Strategy and Ethics and Compliance Strategy and, in accordance with Stora Enso's corporate governance structure, oversees the effective implementation thereof. In its work the Committee takes into consideration Stora Enso's Purpose and Values as well as Code of Conduct and Business Practice Policy.

The Committee meets regularly, at least two times a year. The Chairman of the Committee presents a report on each Global Responsibility and Ethics Committee meeting to the Board. The tasks and responsibilities of the Committee are defined in its charter, which is approved by the Board. The Committee comprises of two to four Board members who are nominated annually by the Board. The members are independent from and not affiliated with Stora Enso. At least one Committee member is expected to have sufficient earlier knowledge and experience in handling responsibility and ethics matters.

As at the date of this Prospectus, the members of the Global Responsibility and Ethics Committee are Anne Brunila (Chair) and Birgitta Kantola.

Nomination Board

Shareholders at the Annual General Meeting of Shareholders have appointed a Nomination Board to prepare proposals concerning (i) the number of members of the Board of Directors, (ii) the election of the members of the Board of Directors, (iii) the remuneration of the Chairman, Vice Chairman and members of the Board of Directors and (iv) the remuneration of the Chairman and members of the committees of the Board of Directors.

The Nomination Board comprises four members: the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and two members appointed annually by the two largest shareholders, each appointing one member. The largest shareholders are determined on the basis of their shareholdings registered in the Company's shareholders' register on 30 September of each year. The Chairman of the Board of Directors convenes the Nomination Board. A member of the Board of Directors may not be appointed the Chairman of the Nomination Board. The Nomination Board presents its proposal for the Annual General Meeting of Shareholders to the Board of Directors annually before 31 January of each year.

The Nomination Board that prepared proposals for the 2015 Annual General Meeting of Shareholders consisted of four members in 2014, namely Gunnar Brock and Juha Rantanen as well as two other members appointed by the two largest shareholders, namely Pekka Ala-Pietilä (Chairman of the Board of Directors of Solidium) and Marcus Wallenberg (Chairman of the Board of Directors of Foundation Asset Management). Pekka Ala-Pietilä was elected Chairman of the Nomination Board at its first meeting.

Legal Proceedings

General

Other than as discussed below, Stora Enso has no pending governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) which may have or may have had in the past 12 months, a significant effect on the financial position of the Company or its subsidiaries, taken as a whole, nor is the Company aware of any such proceedings being threatened.

Class Action Lawsuits in the United States

In context of magazine paper sales in the United States in 2002 and 2003, Stora Enso and Stora Enso North America were sued in a number of class action (and other civil) lawsuits filed in the United States

by various magazine paper purchasers that claimed damages for alleged antitrust violations. All material lawsuits are or are about to be settled.

Legal Action in Brazil relating to 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 Brazilian real 20 million (€6 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.

In May 2014, Fibria, initiated arbitration proceedings against Stora Enso claiming that Stora Enso is in breach of certain provisions of the shareholder agreement regarding Veracel. Fibria and Stora Enso each own 50 per cent. of Veracel. Fibria has estimated that the interest in the case is approximately U.S.\$54 million (€44 million). Stora Enso denies any breach of the shareholder agreement and disputes the method of calculating the interest in the case. No provisions have been made in Stora Enso's accounts for these arbitration proceedings.

Arbitration Proceedings in Uruguay against Andritz

During the second quarter of 2014, Celulosa y Energía Punta Pereira S.A. ("**CEPP**"), a joint-venture company in the Montes del Plata group formed by Stora Enso and Arauco, was notified of arbitration proceedings initiated against it by Andritz Pulp Technologies Punta Pereira S.A. ("**Andritz**"), a subsidiary of Andritz AG, claiming €200 million. The arbitration proceedings relate to contracts for the delivery, construction, installation, commissioning and completion by Andritz of major components of the Montes del Plata pulp mill project located at Punta Pereira in Uruguay. CEPP disputes the claims brought by Andritz and is also actively pursuing claims of its own amounting to U.S.\$ 110 million (€91 million) against Andritz for breach by Andritz of its obligations under the contracts. No provisions have been made in Montes del Plata's or Stora Enso's accounts concerning the arbitration proceedings.

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 competition law infringements. The total claim against all the defendants amounts to approximately €160 million and the secondary claim against Stora Enso to approximately €85 million. In addition, Finnish municipalities and private forest owners have initiated similar legal proceedings. The total amount claimed from all the plaintiffs amounts to approximately €35 million and the secondary claims solely against Stora Enso to approximately €10 million. Stora Enso denies that Metsähallitus and other plaintiffs have suffered any damages whatsoever and will forcefully defend itself. In March 2014, the Helsinki District Court dismissed the 13 private forest owners' claims as time-barred. In November 2014, the Helsinki Court of Appeal revoked the decision of the Helsinki District Court. Stora Enso and the other defendants have sought permission to appeal the decision of the Helsinki Court of Appeal from the Supreme Court. No provisions have been made in Stora Enso's accounts for these lawsuits.

SELECTED FINANCIAL INFORMATION

The following table presents selected consolidated financial information of the Issuer for the financial years ended 31 December 2013 and 31 December 2014. The selected consolidated financial information presented below has been derived from the audited consolidated, financial statements of the Issuer for the financial year ended 31 December 2014.

<i>(€ million, except for earnings per share)</i>	As at and for the Year Ended 31 December	
	2014 (audited)	2013 (unaudited)⁽¹⁾
INCOME STATEMENT DATA		
Sales	10,213	10,563
Operating profit	400	50
Net Loss/Profit for the year	90	(71)
Attributable to:		
Owners of the parent.....	99	(53)
Non-controlling interests	(9)	(18)
Earnings per Share		
Basic and diluted earnings per share, €.....	0.13	(0.07)
FINANCIAL POSITION DATA		
Non-current assets	8,432	8,219
Current assets	4,415	5,233
Total assets.....	12,847	13,452
Equity attributable to owners of the parent	5,070	5,213
Non-current liabilities.....	4,483	5,042
Current liabilities	3,127	3,137
Total equity and liabilities.....	12,847	13,452

- (1) Financial information for the comparative year 2013 has been restated due to the adoption of the new IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities as of 1 January 2014. For further details, see the Financial Report for the year ended 31 December 2014 document, which has been incorporated by reference into the Prospectus.

TAXATION

Finnish Taxation

The following overview is based on the tax laws of Finland as in effect on the date of this Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following overview does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Non-Resident Holders of the Notes

Under present Finnish law payments of the principal of and interest (if any) on the Notes will be exempt from all taxes, duties, fees and imposts of whatever nature, imposed or levied by or within the Republic of Finland or by any province, municipality or other political sub-division or taxing authority thereof and therein, except when the holder of the Note, Receipt or Coupon to which any such payment relates is subject to such taxation thereon by reason of such holders being connected with the Republic of Finland otherwise than solely by his holding of such Note, Receipt or Coupon or the receipt of income therefrom.

Non-residents of Finland are not liable to pay Finnish capital gains tax on Notes that are not connected with a permanent establishment or a fixed base in Finland.

Transfer tax is in general not payable on a transfer of Notes, provided that the interest of the Notes is not related to the business income of the Issuer.

Transfers of Notes by a non-resident by way of a gift or by reason of the death of the owner may be subject to Finnish gift or inheritance tax, respectively.

Holders of the Notes Resident in Finland

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realised following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant holders. Interest paid to such holders of the Notes is not subject to a withholding tax.

If the holder of the Note is a resident natural person, interest paid on the Notes is subject to a source tax on interest income or an advance withholding tax and capital income tax in accordance with the applicable Finnish tax laws. The current source tax on interest income, withholding tax and capital income tax rate is 30 per cent. Should the amount of capital income received by a resident natural person exceed €50,000 in a calendar year, the capital income tax rate is 32 per cent. on the amount that exceeds the €50,000 threshold.

If a resident natural person disposes any Notes prior to the maturity date, any capital gain as well as accrued interest received ("secondary market compensation") will be taxed as capital income. The current rate of capital income tax is as expressed above. An individual residing in Finland or an undistributed estate of a deceased Finnish resident may deduct the eventual capital loss from its taxable capital gains in the year of disposal and in the five subsequent years.

If Notes are acquired in the secondary market, any secondary market compensation paid is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to limitations of the Finnish income tax act.

Luxembourg Taxation

The following overview is of a general nature, limited to description of withholding taxes applicable in Luxembourg and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

Withholding Tax

(i) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the "**Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June, 2003 on taxation of savings income in the form of interest payments and ratifying the agreements entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined in the article 4.2 of the EU Savings Directive, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent.

Luxembourg government officially announced on 10 April 2013 that it will no longer apply the withholding tax system as from 1 January 2015 and will provide with details of payment of interest (or similar income).

Responsibility for the withholding of the tax in application of the Laws as amended will be assumed by the Luxembourg paying agent and not by the Issuer. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.

(ii) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December, 2005, as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent.

In addition, pursuant to the Law, Luxembourg resident individuals can opt to self declare and pay a 10 per cent tax (the "**Levy**") on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive.

Such withholding tax as described above or the Levy will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of the tax in application of the Law as amended will be assumed by the Luxembourg paying agent and not by the Issuer.

EU Savings Directive

Under the Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted the Amending Directive on 24 March 2014. The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive, which legislation must apply from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the EU. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

FATCA

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any Paying Agent and the common depository, given that each of the entities in the payment chain beginning with the Issuer and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances. Further, foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have in a programme agreement dated 6 September 1996 (as modified, amended and/or restated from time to time and as most recently amended on 25 March 2015, the "**Programme Agreement**") agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the

Issuer or a member firm of NYSE Euronext (Amsterdam) admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein, "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Activities of the Dealers

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 15 January 1990 and the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 4 February 2015.

Listing, Approval and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the audited annual financial statements of the Issuer and the audited annual financial statements of the Issuer and its subsidiaries in respect of the financial years ended 31 December 2013 and 31 December 2014 (with an English translation thereof);
- (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (published quarterly on 31 March, 30 June, 30 September and 31 December) of the Issuer (with an English translation thereof), in each case together with any audit or review reports if any in connection therewith;
- (iv) the Programme Agreement, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Receipts and the Coupons, the Talons and the Deed of Covenant;
- (v) a copy of this Prospectus;
- (vi) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and the identity of such holder) to this Prospectus and any other documents incorporated herein or therein by reference including all future annual consolidated and unconsolidated accounts;
- (vii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document); and
- (viii) in the case of each issue of Notes where ISDA Determination is specified as the manner in which the Rate of Interest is to be determined, a copy of the ISDA Definitions.

In addition, copies of this Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the applicable Final Terms. The price will normally correspond to a percentage of the nominal value of such Notes and shall be disclosed on the applicable Final Terms, which shall be available at the offices of the Issuer and the Paying Agent. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series, or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

Yield

The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis by reference to the relevant issue price. It is not an indication of future yield.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.

Litigation

Save as disclosed in "*Description of the Issuer - Legal Proceedings*", the Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Auditors

The auditors of the Issuer are Deloitte & Touche Oy, Chartered Accountants who have audited the Issuer's accounts, without qualification, in accordance with Finnish Standards on Auditing, for the financial years ended 31 December 2013 and 2014. The responsible partners at Deloitte & Touche Oy are members of the Finnish Institute of Authorised Public Accountants.

Potential Investors

Subject to the restrictions set out in "*Subscription and Sale*" above, Notes issued under the Programme may be offered and sold, without limitation, to qualified investors as defined in Article 2(1)(e) of the Prospectus Directive and/or to investors who do not fall under such definition of qualified investors.

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England

PAYING AGENT

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To the Issuer as to Finnish and English law:

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To the Dealers as to English law:

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LUXEMBOURG LISTING AGENT**Banque Internationale à Luxembourg, société anonyme**

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