STORA ENSO OYJ INTERIM REVIEW 19 July 2013 at 13.00 EET

Stora Enso Interim Review January–June 2013
Solid cash flow, further transformation steps launched

Q2/2013 (compared with Q2/2012)
- ***Operational EBIT EUR 124 (EUR 144) million. Improvement in Building and Living and in Renewable Packaging. Printing and Reading loss-making due to weak paper market.***
- ***Solid cash flow from operations at EUR 344 (EUR 246) million due to reduction in working capital, especially in paper business. Cash flow after investing activities EUR 227 (EUR 74) million.***

Q2/2013 (compared with Q1/2013)
- ***Operational EBIT EUR 124 (EUR 118) million.***
- ***Ratio of net debt to the last twelve months' operational EBITDA 2.7 (2.7).***
- ***Cash flow from operations EUR 344 (EUR 101) million. Strong liquidity at EUR 1.8 (EUR 1.7) billion.***

Q1-Q2/2013 (compared with Q1-Q2/2012)
- ***Operational EBIT at EUR 242 (EUR 294) million.***
- ***Solid cash flow from operations at EUR 445 (EUR 469) million.***

Transformation
- ***To accelerate access to the growing Chinese market, Stora Enso will launch its integrated mill project in Guangxi, China in two phases, starting with building a consumer board machine. First phase capital expenditure expected to be EUR 760 million.***
- ***Montes del Plata Pulp Mill estimated to begin mill start-up process at the end of Q3/2013.***
- ***Stora Enso to invest EUR 32 million in a world-class biorefinery at Sunila Mill in Finland.***

Streamlining and structure simplification
- ***Streamlining and structure simplification plans to achieve annual net fixed cost savings of EUR 200 million proceeding on schedule.***

Outlook
- ***Q3/2013 sales expected to be slightly lower and operational EBIT in line with or slightly higher than Q2/2013.***

Kanavaranta 1
00160 Helsinki
P.O. Box 309
FI-00101 Helsinki, Finland
Tel +358 2046 131
Fax +358 2046 21471
www.storaenso.com

Stora Enso Oyj
Business ID 1039050-8

Summary of Second Quarter Results*

		Q2/13	Q1/13	Q2/12
Sales	EUR million	2 717	2 667	2 721
Operational EBITDA	EUR million	247	240	251
Operational EBIT**	**EUR million**	**124**	**118**	**144**
Operating profit (IFRS)	EUR million	74	20	155
Profit before tax excl. NRI	EUR million	60	55	31
Profit/loss before tax	EUR million	27	-36	85
Net profit excl. NRI	EUR million	45	56	13
Net profit/loss	EUR million	21	-16	69
EPS excl. NRI	EUR	0.05	0.07	0.02
EPS	EUR	0.02	-0.02	0.08
CEPS excl. NRI	EUR	0.24	0.25	0.20
Operational ROCE	%	5.8	5.4	6.6

** Data for the comparative periods have been restated following adoption of the amended IAS 19 Employee Benefits standard. Data for the comparative periods have been restated in all tables affected by IAS 19. For further details, please see Basis of Preparation on page 14.*

*** Operational EBIT comprises the operating profit excluding NRI and fair valuations of the segments and Stora Enso's share of the operating profit excluding NRI and fair valuations of its equity accounted investments (EAI). Fair valuations include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets related to forest assets in EAI.*

Stora Enso Deliveries and Production

	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Paper and board deliveries (1 000 tonnes)	2 508	2 496	2 574	5 004	5 123	10 268	-2.6	0.5	-2.3
Paper and board production (1 000 tonnes)	2 496	2 519	2 610	5 015	5 186	10 357	-4.4	-0.9	-3.3
Wood products deliveries (1 000 m^3)	1 345	1 147	1 292	2 492	2 446	4 750	4.1	17.3	1.9
Market pulp deliveries (1 000 tonnes)*	303	288	246	591	507	1 058	23.2	5.2	16.6
Corrugated packaging deliveries (million m^2)	271	260	282	531	543	1 097	-3.9	4.2	-2.2

** Stora Enso's net market pulp position is expected to be about 1.2 million tonnes for 2013.*

Key Figures

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	2 717	2 667	2 721	5 384	5 394	10 815	-0.1	1.9	-0.2
Operational EBITDA	247	240	251	487	516	1 094	-1.6	2.9	-5.6
Operational EBITDA margin, %	9.1	9.0	9.2	9.0	9.6	10.1	-1.1	1.1	-6.3
Operational EBIT	124	118	144	242	294	630	-13.9	5.1	-17.7
Operational EBIT margin, %	4.6	4.4	5.3	4.5	5.5	5.8	-13.2	4.5	-18.2
Operating profit (IFRS)	74	20	155	94	282	701	-52.3	270.0	-66.7
Operating margin (IFRS), %	2.7	0.7	5.7	1.7	5.2	6.5	-52.6	285.7	-67.3
Profit before tax excl. NRI	60	55	31	115	132	317	93.5	9.1	-12.9
Profit/loss before tax	27	-36	85	-9	175	481	-68.2	175.0	-105.1
Net profit for the period excl. NRI	45	56	13	101	93	263	246.2	-19.6	8.6
Net profit/loss for the period	21	-16	69	5	143	490	-69.6	231.3	-96.5
Capital expenditure	86	61	154	147	216	556	-44.2	41.0	-31.9
Depreciation and impairment charges excl. NRI	145	146	141	291	284	583	2.8	-0.7	2.5
Operational ROCE, %	5.8	5.4	6.6	5.7	6.8	7.3	-12.1	7.4	-16.2
Earnings per share (EPS) excl. NRI, EUR	0.05	0.07	0.02	0.12	0.12	0.33	150.0	-28.6	-
EPS (basic), EUR	0.02	-0.02	0.08	0.00	0.17	0.61	-75.0	200.0	-100.0
Cash earnings per share (CEPS) excl. NRI, EUR	0.24	0.25	0.20	0.49	0.48	1.07	20.0	-4.0	2.1
CEPS, EUR	0.20	0.21	0.26	0.41	0.54	1.28	-23.1	-4.8	-24.1
Return on equity (ROE), %	1.5	-1.1	4.7	0.2	4.9	8.3	-68.1	236.4	-95.9
Debt/equity ratio	0.55	0.50	0.54	0.55	0.54	0.48	1.9	10.0	1.9
Net debt/last twelve months' operational EBITDA	2.7	2.7	2.7	2.7	2.7	2.5	-	-	-
Equity per share, EUR	6.67	7.32	7.04	6.67	7.04	7.32	-5.3	-8.9	-5.3
Equity ratio, %	40.7	42.4	43.2	40.7	43.2	42.8	-5.8	-4.0	-5.8
Average number of employees	28 661	28 220	29 226	28 330	28 817	28 777	-1.9	1.6	-1.7
Average number of shares (million)									
periodic	788.6	788.6	788.6	788.6	788.6	788.6			
cumulative	788.6	788.6	788.6	788.6	788.6	788.6			
cumulative, diluted	788.6	788.6	788.6	788.6	788.6	788.6			

Operational EBIT comprises the operating profit excluding NRI and fair valuations of the segments and Stora Enso's share of the operating profit excluding NRI and fair valuations of its equity accounted investments (EAI). Fair valuations include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets related to forest assets in EAI.

NRI = Non-recurring items. These are exceptional transactions that are not related to normal business operations. The most common non-recurring items are capital gains, additional write-downs or reversals of write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally specified individually if they exceed one cent per share.

Reconciliation of Operational Profitability

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Operational EBITDA	**247**	**240**	**251**	**487**	**516**	**1 094**	**-1.6**	**2.9**	**-5.6**
Equity accounted investments (EAI), operational*	22	24	34	46	62	119	-35.3	-8.3	-25.8
Depreciation and impairment excl. NRI	-145	-146	-141	-291	-284	-583	-2.8	0.7	-2.5
Operational EBIT	**124**	**118**	**144**	**242**	**294**	**630**	**-13.9**	**5.1**	**-17.7**
Fair valuations and non-operational items**	-17	-7	-34	-24	-32	-59	50.0	-142.9	25.0
Non-recurring items	-33	-91	45	-124	20	130	-173.3	63.7	n/m
Operating Profit (IFRS)	**74**	**20**	**155**	**94**	**282**	**701**	**-52.3**	**270.0**	**-66.7**

** Group's share of operational EBIT of equity accounted investments (EAI).*
*** Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights and valuations of biological assets related to forest assets in equity accounted investments (EAI) and Group's share of tax and net financial items of EAI.*

Q2/2013 Results (compared with Q2/2012)

Breakdown of Sales Change Q2/2012 to Q2/2013

	Sales
Q2/12, EUR million	**2 721**
Price and mix, %	-1
Currency, %	-
Volume, %	1
Other sales*, %	-
Total before structural changes, %	-
Structural change**, %	-
Total, %	-
Q2/13, EUR million	**2 717**

** Wood, energy, paper for recycling, by-products etc.*
*** Asset closures, major investments, divestments and acquisitions*

Sales at Group level at EUR 2 717 million were similar to a year ago. Operational EBIT at EUR 124 million was EUR 20 million lower than a year ago. This represents an operational EBIT margin of 4.6% (5.3%).

Clearly lower sales prices in local currencies and lower volumes mainly in paper grades decreased operational EBIT by EUR 40 million and EUR 8 million, respectively. Paper and board production was curtailed by 9% (8%) and sawnwood production by 7% (7%) to manage inventories.

Fibre costs were clearly lower, driven by prices for wood and paper for recycling. Variable costs in local currencies were EUR 25 million lower than a year earlier despite higher energy costs due to decreased allocation of green certificates in Sweden.

The average number of employees at 28 660 was 570 lower than a year ago. The number of employees decreased mainly in Sweden and Finland due to planned closures and restructurings. The number of employees increased by 340 in China.

The Group recorded non-recurring items (NRI) with a negative net impact of approximately EUR 33 million on operating profit and a positive impact of approximately EUR 9 million on income tax in its second quarter 2013 results.

Net financial items were EUR 23 million less negative than a year ago. The net interest expense increased by EUR 9 million due to the higher gross debt level and lower interest income. The fair valuation of interest rate derivatives had a positive impact of EUR 23 million. A gain of EUR 12 million from the sale of EUR 99 million of subordinated debt of the equity accounted investments Bergvik Skog and Tornator was recorded in the second quarter of 2013. The foreign exchange loss in the second quarter was EUR 6 million less than a year earlier. A non-recurring EUR 10 million positive impact due to the NewPage lease guarantee provision reversal was recorded in the second quarter of 2012.

Breakdown of Capital Employed Change Q2/2012 to Q2/2013

	Capital Employed
Q2/12, EUR million	**8 641**
Capital expenditure less depreciation	-115
Available-for-sale: operative (mainly Pohjolan Voima (PVO))	-156
Equity accounted investments	139
Net liabilities in defined benefit plans	-134
Operative working capital and other interest-free items, net	-149
Net tax liabilities	140
Translation difference	-109
Other changes	-23
Q2/13, EUR million	**8 234**

The operational return on capital employed was 5.8% (6.6%). Excluding the ongoing strategic investments in Biomaterials and Renewable Packaging the operational return on capital employed would have been 7.3% (7.9%).

January–June 2013 Results (compared with January–June 2012)
Sales decreased by EUR 10 million year-on-year. Operational EBIT decreased by EUR 52 million due to notably lower prices in local currencies and lower volumes in paper grades. Fixed costs were lower and fibre costs clearly lower.

Q2/2013 Results (compared with Q1/2013)
Sales were EUR 50 million higher at EUR 2 717 million and operational EBIT was EUR 6 million higher at EUR 124 million, as anticipated. Sales prices in local currencies were higher for pulp and sawn goods, and fibre costs were lower. Fixed costs were higher mainly due to scheduled maintenance in the second quarter at several European mills. The average number of employees at 28 660 was 440 higher due to temporary summer employees.

Capital Structure

EUR million	30 Jun 13	31 Mar 13	31 Dec 12	30 Jun 12
Operative fixed assets*	5 571	5 904	6 022	5 879
Equity accounted investments	1 999	2 058	1 965	1 948
Operative working capital, net	1 418	1 570	1 460	1 588
Non-current interest-free items, net	-580	-601	-611	-462
Operating Capital Total	**8 408**	**8 931**	**8 836**	**8 953**
Net tax liabilities	-174	-196	-217	-312
Capital Employed	**8 234**	**8 735**	**8 619**	**8 641**
Equity attributable to owners of the Parent	5 261	5 772	5 770	5 554
Non-controlling interests	88	89	92	92
Net interest-bearing liabilities	2 885	2 874	2 757	2 995
Financing Total	**8 234**	**8 735**	**8 619**	**8 641**

** Operative fixed assets include property, plant and equipment, goodwill, biological assets, emission rights, available-for-sale operative shares and other intangible assets.*

Financing Q2/2013 (compared with Q1/2013)
Total unutilised committed credit facilities were unchanged at EUR 700 million, and cash and cash equivalents net of overdrafts remained strong at EUR 1 807 million, which is EUR 65 million more than for the previous quarter. In addition, Stora Enso has access to various long-term sources of funding up to EUR 600 million.

The ratio of net debt to the last twelve months' operational EBITDA was 2.7 (2.7).

The debt/equity ratio at 30 June 2013 was 0.55 (0.50). The increase is primarily due to equity decrease following the EUR 237 million dividend payment made during the second quarter of 2013, EUR 128 million reduction in the value of PVO due to lower electricity prices and EUR 153 million negative currency effect on owners' equity net of the hedging of equity translation risks, mainly due to the weaker Brazilian real and Swedish krona.

Cash Flow

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Operational EBITDA	247	240	251	487	516	1 094	-1.6	2.9	-5.6
NRI on operational EBITDA	-54	-51	54	-105	31	18	-200.0	-5.9	n/m
Dividends received from equity accounted investments	7	11	7	18	8	102	-	-36.4	125.0
Other adjustments	18	-14	-7	4	-15	-34	n/m	228.6	126.7
Change in working capital	126	-85	-59	41	-71	74	n/m	248.2	157.7
Cash Flow from Operations	**344**	**101**	**246**	**445**	**469**	**1 254**	**39.8**	**240.6**	**-5.1**
Cash spent on fixed and biological assets	-80	-88	-128	-168	-222	-561	37.5	9.1	24.3
Acquisitions of equity accounted investments	-37	-10	-44	-47	-62	-115	15.9	-270.0	24.2
Cash Flow after Investing Activities	**227**	**3**	**74**	**230**	**185**	**578**	**206.8**	**n/m**	**24.3**

Q2/2013 cash flow
Second quarter 2013 cash flow from operations was solid at EUR 344 million, mainly because working capital decreased by EUR 126 million during the quarter. Inventories decreased by EUR 60 million and receivables decreased by EUR 40 million.

Capital Expenditure for January–June 2013
Additions to fixed and biological assets in the first half of 2013 totalled EUR 147 million, which is 51% of depreciation in the same period.

The EUR 17 million equity injection into Montes del Plata, a joint venture in Uruguay, and EUR 30 million cost of acquiring a 35% shareholding in Bulleh Shah, a joint venture in Pakistan, totalled EUR 47 million in the first half of 2013.

Investments in fixed assets and biological assets had a cash outflow impact of EUR 168 million in the first half of 2013.

The main projects ongoing during the first half of 2013 were Montes del Plata and the Ostrołęka containerboard machine.

Capital Expenditure, Equity Injections and Depreciation Forecast 2013

EUR million	**Forecast 2013**
Capital expenditure *	440-490
Equity injections	100-120
Total	**540-610**
Depreciation	590-610

* Capital expenditure includes approximately EUR 90 million for project in Guangxi, China

Streamlining and structure simplification programme to cut EUR 200 million from fixed costs

The streamlining and structure simplification programme, which is intended to achieve annual net fixed cost savings of EUR 200 million, i.e. compensating for inflation in addition to cost takeout in the second quarter of 2014 versus actual 2012, is proceeding according to plan. The full impact of net cost savings is expected from the second quarter of 2014 onwards. The new divisional organisations have been announced.

The net fixed costs were EUR 7 million lower in the second quarter of 2013 than the second quarter of 2012 due to this programme. Annualised this represents roughly 14% of the targeted EUR 200 million annual net cost savings. The non-recurring costs related to the programme in the first half of 2013 totalled EUR 43 million, including EUR 37 million in the second quarter of 2013. Most of the remaining non-recurring costs are expected to be announced in the third quarter of 2013. The number of employees had been reduced by 360.

Near-term Outlook

In the third quarter of 2013 Group sales are expected to be slightly lower and operational EBIT in line with or slightly higher than the second quarter of 2013.

Segments Q2/13 compared with Q2/12

Printing and Reading

Printing and Reading is a world-class responsible supplier of paper from renewable sources for print media and office use. Its wide offering serves publishers, retailers, printing houses, merchants, converters and office suppliers, among others. Printing and Reading produces newsprint, book paper, SC paper, coated paper and office paper.

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	1 101	1 123	1 191	2 224	2 418	4 839	-7.6	-2.0	-8.0
Operational EBITDA	51	72	108	123	243	493	-52.8	-29.2	-49.4
Operational EBIT	-17	2	43	-15	111	223	-139.5	n/m	-113.5
% of sales	-1.5	0.2	3.6	-0.7	4.6	4.6	-141.7	n/m	-115.2
Operational ROOC, %*	-2.4	0.3	5.7	-1.1	7.3	7.4	-142.1	n/m	-115.1
Paper deliveries, 1 000 t	1 652	1 684	1 762	3 336	3 545	7 130	-6.2	-1.9	-5.9
Paper production, 1 000 t	1 641	1 683	1 803	3 324	3 612	7 210	-9.0	-2.5	-8.0

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales prices in local currencies were lower and deliveries and production lower than a year ago as demand weakened. Lower prices for paper for recycling reduced variable costs slightly and fixed costs remained stable.
- As is now evident, the continuing deterioration in demand for paper products required the further streamlining and structure simplification actions announced on 23 April 2013 to adjust to the new supply and demand balance.
- Hylte Mill PM 2 and Kvarnsveden Mill PM 11 in Sweden were permanently shut down in May.

Markets

Product	Market	Demand Q2/13 compared with Q2/12	Demand Q2/13 compared with Q1/13	Price Q2/13 compared with Q2/12	Price Q2/13 compared with Q1/13
Paper	Europe	Weaker	Slightly weaker	Slightly lower	Slightly lower

Biomaterials

Biomaterials offers a variety of pulp grades to meet the demands of paper, board and tissue producers. Pulp made from renewable resources in a sustainable manner is an excellent raw material with many different end uses. Biomaterials comprises mainly tree plantations, the Group's joint-venture Veracel and Montes del Plata pulp mills, and Nordic stand-alone pulp mills.

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	257	257	246	514	488	1 012	4.5	-	5.3
Operational EBITDA	22	28	13	50	28	99	69.2	-21.4	78.6
Operational EBIT	14	22	15	36	22	82	-6.7	-36.4	63.6
% of sales	5.4	8.6	6.1	7.0	4.5	8.1	-11.5	-37.2	55.6
Operational ROOC, %*	3.8	6.0	4.2	5.1	3.0	5.7	-9.5	-36.7	70.0
Pulp deliveries, 1 000 t	461	475	439	936	898	1 836	5.0	-2.9	4.2

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Slightly lower sales prices in local currency were offset by higher sales volumes year-on-year, mainly due to Enocell.
- Fixed costs were negatively impacted by the biorefinery and in addition, operational EBIT by the strategic investment in Montes del Plata.
- Montes del Plata Pulp Mill is estimated to begin the mill start-up process at the end of third quarter of 2013. Montes del Plata Pulp Mill is expected to have limited impact on the Group's sales and slightly negative impact on operational EBIT in 2013. In 2014 the Group's sales are expected to be affected by 650 000 tonnes of Montes del Plata pulp with full positive EBITDA impact in the latter part of the year 2014 provided that the current market conditions prevail.
- Stora Enso is investing EUR 32 million in a world-class biorefinery at Sunila Mill in Finland.
- There will be an annual maintenance stoppage at Enocell Mill in Finland during the third quarter of 2013.

Markets

Product	Market	Demand Q2/13 compared with Q2/12	Demand Q2/13 compared with Q1/13	Price Q2/13 compared with Q2/12	Price Q2/13 compared with Q1/13
Softwood pulp	Europe	Slightly stronger	Slightly weaker	Stable	Slightly higher

Building and Living

Building and Living provides wood-based innovations and solutions for everyday living and housing needs. The product range covers all areas of urban construction, from supporting structures to 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.

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	500	441	444	941	825	1 684	12.6	13.4	14.1
Operational EBITDA	39	13	21	52	32	59	85.7	200.0	62.5
Operational EBIT	28	4	11	32	21	29	154.5	n/m	52.4
% of sales	5.6	0.9	2.5	3.4	2.5	1.7	124.0	n/m	36.0
Operational ROOC, %*	20.0	2.8	7.5	11.5	7.3	5.2	166.7	n/m	57.5
Deliveries, 1 000 m^3	1 303	1 113	1 254	2 416	2 363	4 592	3.9	17.1	2.2

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales prices in local currencies were higher than a year ago, especially in overseas markets.
- The performance improvement was mainly due to exceptionally strong seasonal market conditions and improved cost performance resulting from the early start of the streamlining programme.
- Stora Enso has agreed to supply modular CLT-based elements for residential buildings of five to seven storeys in Helsinki constructed in co-operation with SRV Yhtiöt Oyj.

Markets

Product	Market	Demand Q2/13 compared with Q2/12	Demand Q2/13 compared with Q1/13	Price Q2/13 compared with Q2/12	Price Q2/13 compared with Q1/13
Wood products	Europe	Slightly stronger	Significantly stronger	Slightly higher	Slightly higher

Renewable Packaging

Renewable Packaging offers fibre-based packaging materials and innovative packaging solutions for consumer goods and industrial applications. Renewable Packaging operates throughout the value chain, from pulp production to production of materials and packaging, and recycling. It comprises three business units: Consumer Board, Packaging Solutions and Packaging Asia.

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	835	820	827	1 655	1 606	3 216	1.0	1.8	3.1
Operational EBITDA	129	119	123	248	236	476	4.9	8.4	5.1
Operational EBIT	77	68	73	145	135	273	5.5	13.2	7.4
% of sales	9.2	8.3	8.8	8.8	8.4	8.5	4.5	10.8	4.8
Operational ROOC, %*	12.7	11.4	13.1	12.2	12.2	12.1	-3.1	11.4	-
Paper and board deliveries, 1 000 t	856	812	812	1 668	1 578	3 138	5.4	5.4	5.7
Paper and board production, 1 000 t	855	836	807	1 691	1 574	3 147	5.9	2.3	7.4
Corrugated packaging deliveries, million m^2	271	260	282	531	543	1 097	-3.9	4.2	-2.2
Corrugated packaging production, million m^2	267	258	275	525	532	1 076	-2.9	3.5	-1.3

** Operational ROOC = 100% x Operational EBIT/Average operating capital*

- Sales volumes were higher, driven by consumer board and the new Ostrołęka Mill PM 5, but average sales prices in local currencies were slightly lower. Lower fixed and variable costs more than offset slightly higher depreciation due to Ostrołęka Mill PM 5. Exchange rates had a positive net impact on sales and costs after hedges.
- Stora Enso and Packages Ltd. completed the process of establishing a joint venture called Bulleh Shah Packaging (Private) Limited in Pakistan in May.
- To accelerate access to the growing Chinese market, Stora Enso will launch its integrated mill project in Guangxi, China in two phases, starting with building a consumer board machine. The first-phase capital expenditure is expected to be EUR 760 million.
- The new Ostrołęka Mill PM 5 production is proceeding according to plan and the EBITDA margin is expected to be approximately 20% during the latter part of 2013.
- In June Stora Enso announced that it is investing approximately EUR 32 million in Skoghall Mill in Sweden. The investment primarily pertains to rebuilding of a fibre line in the sulphate pulp mill and its chemical recovery operations, thereby increasing the mill's pulp production capacity by 45 000 tonnes per year.
- In June Stora Enso decided to commence a feasibility study with the aim of converting the Varkaus Mill fine paper machine in Finland to produce virgin-fibre-based containerboard.
- There will be an annual maintenance stoppage at Imatra Mills in Finland during the third quarter of 2013.

Markets

Product	Market	Demand Q2/13 compared with Q2/12	Demand Q2/13 compared with Q1/13	Price Q2/13 compared with Q2/12	Price Q2/13 compared with Q1/13
Consumer board	Europe	Slightly stronger	Slightly stronger	Slightly lower	Stable
Corrugated packaging	Europe	Slightly weaker	Slightly stronger	Slightly higher	Stable

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.

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	685	721	663	1 406	1 366	2 684	3.3	-5.0	2.9
Operational EBITDA	6	8	-14	14	-23	-33	142.9	-25.0	160.9
Operational EBIT	22	22	2	44	5	23	n/m	-	n/m
% of sales	3.2	3.1	0.3	3.1	0.4	0.9	n/m	3.2	n/m

- Operational EBIT in Nordic wood sourcing operations continued to benefit from good harvesting conditions in the beginning of the quarter, but returned to normal towards the end of the quarter.
- Costs were lower in Group functions and services.

Short-term Risks and Uncertainties
The main short-term risks and uncertainties relate to the economic situation in Europe and further increasing imbalance in the European paper market.

Energy sensitivity analysis: the direct effect of a 10% increase in electricity, heat, oil and other fossil fuel market prices would have a negative impact of approximately EUR 15 million on operational EBIT for the next twelve months, after the effect of hedges.

Wood sensitivity analysis: the direct effect of a 10% increase in wood prices would have a negative impact of approximately EUR 200 million on operational EBIT for the next twelve months.

Chemicals and fillers sensitivity: the direct effect of a 10% increase in chemical and filler prices would have a negative impact of approximately EUR 63 million on operational EBIT for the next twelve months.

A decrease in energy, wood or chemical and filler prices would have the opposite impact.

Foreign exchange rates sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound against the euro would be about positive EUR 104 million, negative EUR 81 million and positive EUR 51 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are before the effect of hedges and assuming no changes occur other than a single currency exchange rate movement.

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 BRL 20 million (EUR 7 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.

On 30 September 2009 a judge in the State of Bahia issued an interim decision ordering the State Government of Bahia not to grant Veracel further plantation licences in the municipality of Eunápolis in response to claims by a state prosecutor that Veracel's plantations exceeded the legal limits, which Veracel disputes. Veracel's position is supported by documentation issued by the State environmental authority.

Class Action Lawsuits in USA
In the context of magazine paper sales in the USA in 2002 and 2003, Stora Enso Oyj (SEO) and Stora Enso North America (SENA) were sued in a number of class action (and other civil) lawsuits filed in the USA by various magazine paper purchasers that claimed damages for alleged antitrust violations. In December 2010 a

US federal district court granted a motion for summary judgement dismissing the direct purchaser class action claims on SEO and SENA. Following appeal, a federal court of appeals on 6 August 2012 upheld the district court's ruling as to SEO, but reversed the district court's ruling as to SENA and referred that part of the case back to the district court for a jury trial to determine whether SENA's conduct did violate the federal antitrust laws. The trial of the case against SENA was scheduled to begin in August 2013. Because Stora Enso disposed of SENA in 2007, Stora Enso's liability, if any, would have been determined by the provisions in the SENA Sales and Purchasing Agreement. On 17 July 2013, Stora Enso reached an agreement (which is subject to approval by the US federal district court) to settle the cases filed by the direct magazine paper purchasers without any admission of liability by SENA or SEO. Stora Enso has set aside USD 8 million to cover the cost of settling those claims, which cost will be recorded in the third quarter 2013 accounts. The case has been disclosed as a contingent liability. There are no provisions related to the case in Stora Enso's balance sheet per 30 June 2013. Furthermore, most of the indirect purchaser actions have been dismissed by a consent judgement, subject, however, to being reinstated if the plaintiffs in the direct cases would have been ultimately successful in obtaining a final judgement that SENA violated antitrust laws.

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 the competition law infringements. The total claim against all the defendants amounts to approximately EUR 160 million and the secondary claim against Stora Enso to approximately EUR 85 million.

In addition, Finnish municipalities and private forest owners have initiated similar legal proceedings. The total amount claimed from all the defendants amounts to approximately EUR 75 million and the secondary claims and claims solely against Stora Enso to approximately EUR 25 million.

Stora Enso denies that Metsähallitus and other plaintiffs have suffered any damages whatsoever and will forcefully defend itself. No provisions have been made in Stora Enso's accounts for these lawsuits.

Changes in Organisational Structure and Group Management

On 31 May 2013 Stora Enso announced that from 1 July 2013 onwards the Stora Enso Group Leadership Team would comprise the following persons and roles:

Jouko Karvinen, Chief Executive Officer
Juan Bueno, Head of Biomaterials Division
Lars Häggström, Head of Global People and Organisation
Per Lyrvall, Head of Global Ethics and Compliance, General Counsel, Country Senior Executive, Sweden
Mats Nordlander, Head of Renewable Packaging Division
Lauri Peltola, Head of Global Identity, Country Senior Executive, Finland
Karl-Henrik Sundström, Head of Printing and Living Division, Deputy CEO
Jyrki Tammivuori, acting Chief Financial Officer
Juha Vanhainen, Project Director for the recently announced EUR 200 million streamlining and structure simplification programme.

Share Capital

During the quarter 400 A shares were converted into R shares. The shares were recorded in the Finnish trade register on 15 May 2013.

Share cancellation

On 15 May 2013, 918 512 treasury R shares (approximately 0.12% of the issued shares) were cancelled in accordance with a decision of Stora Enso's Annual General Meeting on 23 April 2013.

On 30 June 2013, Stora Enso had 177 146 372 A shares and 611 473 615 R shares in issue of which the Company held no A shares or R shares.

Changes in shareholdings

In April–June the number of shares in Stora Enso Oyj held by Norges Bank (The Central Bank of Norway) was twice temporarily less than 5% of the paid-up share capital and the number of shares in Stora Enso Oyj due to share lending transactions.

Decisions of Annual General Meeting on 23 April 2013
The AGM approved the proposal by the Board of Directors that the Company distributes a dividend of EUR 0.30 per share for the year 2012.

The AGM approved a proposal that the Board of Directors shall have ten members and that of the current members of the Board of Directors, Gunnar Brock, Hock Goh, Birgitta Kantola, Mikael Mäkinen, Juha Rantanen, Hans Stråberg, Matti Vuoria and Marcus Wallenberg shall be re-elected members of the Board of Directors until the end of the following AGM and that Elisabeth Fleuriot and Anne Brunila be elected new members of the Board of Directors for the same term of office.

The AGM approved a proposal that the current auditor Authorised Public Accountants Deloitte & Touche Oy shall be re-elected auditor of the Company until the end of the following AGM. The AGM approved a proposal that remuneration for the auditor shall be paid according to invoice approved by the Financial and Audit Committee.

The AGM approved a proposal that a Nomination Board be appointed to prepare proposals concerning (a) the number of members of the Board of Directors, (b) the members of the Board of Directors, (c) the remuneration for the Chairman, Vice Chairman and members of the Board of Directors and (d) the remuneration for the Chairman and members of the committees of the Board of Directors.

The AGM approved a proposal by the Board of Directors that 918 512 treasury R shares be cancelled.

Decisions by Board of Directors
At its meeting held after the AGM, the Stora Enso Board of Directors re-elected from among its members Gunnar Brock as its Chairman and Juha Rantanen as Vice Chairman.

Birgitta Kantola (chairwoman), Gunnar Brock and Juha Rantanen were re-elected and Mikael Mäkinen elected as members of the Financial and Audit Committee.

Gunnar Brock (chairman), Hans Stråberg and Matti Vuoria were re-elected as members of the Remuneration Committee.

Anne Brunila (chairwoman) and Birgitta Kantola were elected as members of the new Global Responsibility and Ethics Committee that focuses on responsibility and ethics matters.

This report is unaudited.

Helsinki, 19 July 2013
Stora Enso Oyj
Board of Directors

Financials

Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Annual Report for 2012.

The Group has applied the following amendment effective from 1 January 2013 that requires restatement of previous financial statements:

- IAS 19 Employee Benefits (amendment) eliminates the 'corridor method', streamlines the presentation of changes in assets and liabilities arising from defined benefit plans and enhances the disclosure requirements arising from the standard. The Group has not applied the 'corridor method'. The effects of this amendment on the Group financial statements are not material. The effects on the Condensed Consolidated Income Statement and Statement of Financial Position are the following:

Effects of Changes to IAS 19 Employee Benefits

EUR million	As published 2012	Adjustment 2012	Restated 2012
Operational EBIT	618	12	630
Operating profit (IFRS)	689	12	701
Net financial items	-207	-13	-220
Profit before tax	482	-1	481
Income tax	9	-	9
Net profit for the period	491	-1	490
Attributable to:			
Owners of the Parent	481	-1	480
Non-controlling interests	10	-	10
	491	**-1**	**490**
Total equity	5 876	-14	5 862
Post-employment benefit provisions	462	18	480
Deferred tax liabilities	344	-4	340

The following standards have also been applicable effective from 1 January 2013:

- IAS 1 Presentation of Financial Statements (amendment) introduces changes to the presentation of items of other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.
- IFRS 7 Financial Instruments: Enhanced disclosure requirements related to offsetting of financial assets and financial liabilities. The amendment might have some effect on presentation in the financial statements but had no impact on the Group's financial position or performance.
- IFRS 13 Fair Value Measurement establishes the definition of fair value and introduces a single IFRS framework for measuring fair value while seeking to increase consistency and comparability by requiring disclosures about fair value measurements applied in the financial statements of an entity. The application of IFRS 13 has not materially affected the fair value measurements carried out by the Group. The new standard also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards. Some of these disclosures are specifically required for financial instruments, thereby affecting the interim financial statement. The additional disclosures are included in this Interim Review.
- IAS 12 Income Taxes (amendment) provides additional regulation on deferred tax in the case of recovery of underlying assets. The amendment is not relevant to the Group.
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine introduces accounting treatment for stripping costs arising in the mining industry. The interpretation is not relevant to the Group.

All figures in this Interim Review have been rounded to the nearest million, unless otherwise stated.

Condensed Consolidated Income Statement

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012	Change % Q2/13–Q2/12	Change % Q2/13–Q1/13	Change % Q1-Q2/13–Q1-Q2/12
Sales	2 717	2 667	2 721	5 384	5 394	10 815	-0.1	1.9	-0.2
Other operating income	25	33	80	58	124	219	-68.8	-24.2	-53.2
Materials and services	-1 776	-1 724	-1 737	-3 500	-3 467	-6 974	-2.2	-3.0	-1.0
Freight and sales commissions	-249	-258	-250	-507	-492	-1 008	0.4	3.5	-3.0
Personnel expenses	-362	-353	-370	-715	-709	-1 349	2.2	-2.5	-0.8
Other operating expenses	-160	-185	-142	-345	-291	-578	-12.7	13.5	-18.6
Share of results of equity accounted investments	14	26	-6	40	9	108	n/m	-46.2	n/m
Depreciation and impairment	-135	-186	-141	-321	-286	-532	4.3	27.4	-12.2
Operating Profit	**74**	**20**	**155**	**94**	**282**	**701**	**-52.3**	**270.0**	**-66.7**
Net financial items	-47	-56	-70	-103	-107	-220	32.9	16.1	3.7
Profit/Loss before Tax	**27**	**-36**	**85**	**-9**	**175**	**481**	**-68.2**	**175.0**	**-105.1**
Income tax	-6	20	-16	14	-32	9	62.5	-130.0	143.8
Net Profit/Loss for the Period	**21**	**-16**	**69**	**5**	**143**	**490**	**-69.6**	**231.3**	**-96.5**
Attributable to:									
Owners of the Parent	19	-17	65	2	138	480	-70.8	211.8	-98.6
Non-controlling interests	2	1	4	3	5	10	-50.0	100.0	-40.0
	21	**-16**	**69**	**5**	**143**	**490**	**-69.6**	**231.3**	**-96.5**
Earnings per Share									
Basic earnings per share, EUR	0.02	-0.02	0.08	0.00	0.17	0.61	-75.0	200.0	-100.0
Diluted earnings per share, EUR	0.02	-0.02	0.08	0.00	0.17	0.61	-75.0	200.0	-100.0

Consolidated Statement of Comprehensive Income

EUR million	Q2/13	Q1/13	Q2/12	Q1-Q2/13	Q1-Q2/12	2012
Net profit for the period	21	-16	69	5	143	490
Other Comprehensive Income						
Items that will Not be Reclassified to Profit and Loss						
Actuarial losses on defined benefit plans	-	-	-4	-	-8	-184
Share of other comprehensive income of equity accounted investments that will not be reclassified	-	-1	-	-1	-5	-5
Income tax relating to items that will not be reclassified	-	-	2	-	3	35
	-	**-1**	**-2**	**-1**	**-10**	**-154**
Items that may be Reclassified Subsequently to Profit and Loss						
Share of other comprehensive income of equity accounted investments that be reclassified	10	3	-10	13	-7	1
Currency translation movements on equity net investments (CTA)	-174	77	-17	-97	-	-29
Currency translation movements on non-controlling interests	-4	3	1	-1	-	-3
Net investment hedges	27	-13	-2	14	-8	-17
Currency and commodity hedges	-19	-11	-18	-30	6	34
Available-for-sale financial assets	-135	-41	-131	-176	-200	-178
Income tax relating to items that may be reclassified	-2	4	3	2	-1	-3
	-297	**22**	**-174**	**-275**	**-210**	**-195**
Total Comprehensive Income	**-276**	**5**	**-107**	**-271**	**-77**	**141**
Total Comprehensive Income Attributable to:						
Owners of the Parent	-274	1	-112	-273	-82	134
Non-controlling interests	-2	4	5	2	5	7
	-276	**5**	**-107**	**-271**	**-77**	**141**

Condensed Consolidated Statement of Cash Flows

EUR million	Q1-Q2/13	Q1-Q2/12
Cash Flow from Operating Activities		
Operating profit	94	282
Hedging result from OCI	-29	6
Adjustments for non-cash items	310	258
Change in net working capital	33	-47
Cash Flow Generated by Operations	**408**	**499**
Net financial items paid	-65	-97
Income taxes paid, net	-20	-73
Net Cash Provided by Operating Activities	**323**	**329**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries, net of acquired cash	-	-3
Acquisitions of equity accounted investments	-47	-62
Acquisitions of available-for-sale investments	-9	-
Proceeds from sale of fixed assets and shares, net of disposed cash	11	3
Capital expenditure	-168	-222
Proceeds from/payments of non-current receivables, net	95	-31
Net Cash Used in Investing Activities	**-118**	**-315**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	12	853
Long-term debt, payments	-29	-437
Change in short-term borrowings	38	-81
Dividends paid	-237	-237
Dividend to non-controlling interests	-6	-
Net Cash Used in/Provided by Financing Activities	**-222**	**98**
Net Decrease/Increase in Cash and Cash Equivalents	**-17**	**112**
Translation adjustment	-21	-6
Net cash and cash equivalents at the beginning of period	1 845	1 134
Net Cash and Cash Equivalents at Period End	**1 807**	**1 240**
Cash and Cash Equivalents at Period End	**1 809**	**1 249**
Bank Overdrafts at Period End	**-2**	**-9**
Net Cash and Cash Equivalents at Period End	**1 807**	**1 240**
Acquisitions		
Cash and cash equivalents, net of bank overdraft	-	1
Fixed assets, working capital and net tax assets	-	-1
Total Purchase Consideration	-	**-**
Less cash and cash equivalents in acquired companies	-	-1
Net Purchase Consideration	**-**	**-1**
Cash part of the consideration, net of acquired cash	-	3
Payment concerning unfinished 2011 acquisition	-	-4
Net Purchase Consideration	**-**	**-1**

Property, Plant and Equipment, Intangible Assets, Goodwill and Biological Assets

EUR million	Q1-Q2/13	2012	Q1-Q2/12
Carrying value at 1 January	5 541	5 437	5 437
Acquisition of subsidiary companies	-	6	1
Additions in tangible and intangible assets	139	536	209
Additions in biological assets	8	20	7
Disposals	-16	-2	-2
Depreciation and impairment	-321	-532	-286
Translation difference and other	-74	76	39
Statement of Financial Position Total	**5 277**	**5 541**	**5 405**

Borrowings

EUR million	30 Jun 13	31 Dec 12	30 Jun 12
Non-current borrowings	3 769	4 341	3 838
Current borrowings	1 306	793	893
	5 075	**5 134**	**4 731**

	Q2/13	2012	Q2/12
Carrying value at 1 January	5 134	4 373	4 373
Proceeds of borrowings (net)	21	712	330
Translation difference and other	-80	49	28
Statement of Financial Position Total	**5 075**	**5 134**	**4 731**

Condensed Consolidated Statement of Financial Position

EUR million		30 Jun 13	31 Dec 12	30 Jun 12
Assets				
Non-current Assets				
PPE*, goodwill and other intangible assets	O	5 048	5 319	5 187
Biological assets	O	229	222	218
Emission rights	O	15	30	39
Equity accounted investments	O	1 999	1 965	1 948
Available-for-sale: Interest-bearing	I	105	96	93
Available-for-sale: Operative	O	279	451	435
Non-current loan receivables	I	37	134	209
Deferred tax assets	T	162	143	133
Other non-current assets	O	19	23	46
		7 893	**8 383**	**8 308**
Current Assets				
Inventories	O	1 455	1 458	1 550
Tax receivables	T	15	19	20
Operative receivables	O	1 739	1 687	1 748
Interest-bearing receivables	I	239	297	185
Cash and cash equivalents	I	1 809	1 850	1 249
		5 257	**5 311**	**4 752**
Total Assets		**13 150**	**13 694**	**13 060**
Equity and Liabilities				
Owners of the Parent		5 261	5 770	5 554
Non-controlling Interests		88	92	92
Total Equity		**5 349**	**5 862**	**5 646**
Non-current Liabilities				
Post-employment benefit provisions	O	461	480	341
Other provisions	O	130	142	141
Deferred tax liabilities	T	322	340	419
Non-current debt	I	3 769	4 341	3 838
Other non-current operative liabilities	O	8	12	26
		4 690	**5 315**	**4 765**
Current Liabilities				
Current portion of non-current debt	I	697	181	214
Interest-bearing liabilities	I	609	612	679
Operative liabilities	O	1 776	1 685	1 710
Tax liabilities	T	29	39	46
		3 111	**2 517**	**2 649**
Total Liabilities		**7 801**	**7 832**	**7 414**
Total Equity and Liabilities		**13 150**	**13 694**	**13 060**

** PPE = Property, Plant and Equipment*

Items designated with “O” comprise Operating Capital
Items designated with “I” comprise Interest-bearing Net Liabilities
Items designated with “T” comprise Net Tax Liabilities

Statement of Changes in Equity

EUR million	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Step Acquisition Revaluation Surplus	Available for Sale Financial Assets	Currency and Commodity Hedges	OCI of Equity Accounted Investments	CTA and Net Investment Hedges	Retained Earnings	Attributable to Owners of the Parent	Non-controlling Interests	Total
Balance at 31 Dec 2011	**1 342**	**77**	**633**	**-10**	**4**	**541**	**-17**	**-29**	**32**	**3 300**	**5 873**	**87**	**5 960**
Profit for the period	-	-	-	-	-	-	-	-	-	138	138	5	143
OCI before tax	-	-	-	-	-	-200	6	-12	-8	-8	-222	-	-222
Income tax relating to components of OCI	-	-	-	-	-	-2	-1	-	2	3	2	-	2
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-202**	**5**	**-12**	**-6**	**133**	**-82**	**5**	**-77**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-	-237
Balance at 30 Jun 2012	**1 342**	**77**	**633**	**-10**	**4**	**339**	**-12**	**-41**	**26**	**3 196**	**5 554**	**92**	**5 646**
Profit for the period	-	-	-	-	-	-	-	-	-	342	342	5	347
OCI before tax	-	-	-	-	-	22	28	8	-38	-176	-156	-3	-159
Income tax relating to components of OCI	-	-	-	-	-	1	-5	-	2	32	30	-	30
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**23**	**23**	**8**	**-36**	**198**	**216**	**2**	**218**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-2	-2
Balance at 31 Dec 2012	**1 342**	**77**	**633**	**-10**	**4**	**362**	**11**	**-33**	**-10**	**3 394**	**5 770**	**92**	**5 862**
Profit for the period	-	-	-	-	-	-	-	-	-	2	2	3	5
OCI before tax	-	-	-	-	-	-176	-30	12	-83	-	-277	-1	-278
Income tax relating to components of OCI	-	-	-	-	-	-1	6	-	-3	-	2	-	2
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-177**	**-24**	**12**	**-86**	**2**	**-273**	**2**	**-271**
Dividend	-	-	-	-	-	-	-	-	-	-237	-237	-6	-243
Share-based payments	-	-	-	-	-	-	-	-	-	1	1	-	1
Cancellation of treasury shares	-	-	-	10	-	-	-	-	-	-10	-	-	-
Balance at 30 Jun 2013	**1 342**	**77**	**633**	**-**	**4**	**185**	**-13**	**-21**	**-96**	**3 150**	**5 261**	**88**	**5 349**

CTA = Cumulative Translation Adjustment
OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	30 Jun 13	31 Dec 12	30 Jun 12
On Own Behalf			
Pledges	-	1	1
Mortgages	6	6	10
On Behalf of Equity Accounted Investments			
Guarantees	572	653	529
On Behalf of Others			
Guarantees	5	5	5
Other Commitments, Own			
Operating leases, in next 12 months	94	92	63
Operating leases, after next 12 months	510	497	555
Other commitments	5	5	5
Total	**1 192**	**1 259**	**1 168**
Pledges	-	1	1
Mortgages	6	6	10
Guarantees	577	658	534
Operating leases	604	589	618
Other commitments	5	5	5
Total	**1 192**	**1 259**	**1 168**

Capital commitments

The Group’s direct capital expenditure contracts, excluding acquisitions, amounted to EUR 58 million (compared with EUR 200 million at 30 June 2012 and EUR 72 million at 31 December 2012).

The Group’s share of capital expenditure contracts in equity accounted investments, excluding acquisitions, amounted to EUR 139 million (compared with EUR 322 million at 30 June 2012 and EUR 213 million at 31 December 2012) of which Stora Enso has guaranteed EUR 71 million (compared with EUR 189 million at 30 June 2012 and EUR 189 million at 31 December 2012).

Sales by Segment

EUR million	Q2/13	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	1 101	1 123	4 839	1 194	1 227	1 191	1 227
Biomaterials	257	257	1 012	256	268	246	242
Building and Living	500	441	1 684	456	403	444	381
Renewable Packaging	835	820	3 216	798	812	827	779
Other	685	721	2 684	673	645	663	703
Inter-segment sales	-661	-695	-2 620	-650	-661	-650	-659
Total	**2 717**	**2 667**	**10 815**	**2 727**	**2 694**	**2 721**	**2 673**

Operational EBIT by Segment

EUR million	Q2/13	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-17	2	223	59	53	43	68
Biomaterials	14	22	82	28	32	15	7
Building and Living	28	4	29	7	1	11	10
Renewable Packaging	77	68	273	55	83	73	62
Other	22	22	23	9	9	2	3
Operational EBIT	**124**	**118**	**630**	**158**	**178**	**144**	**150**
Fair valuations and non-operational items*	-17	-7	-59	-14	-13	-34	2
Non-recurring Items	-33	-91	130	110	-	45	-25
Operating Profit (IFRS)	**74**	**20**	**701**	**254**	**165**	**155**	**127**
Net financial items	-47	-56	-220	-50	-63	-70	-37
Profit/Loss before Tax	**27**	**-36**	**481**	**204**	**102**	**85**	**90**
Income tax expense	-6	20	9	62	-21	-16	-16
Net Profit/Loss	**21**	**-16**	**490**	**266**	**81**	**69**	**74**

** Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, valuations of biological assets related to forest assets in EAI and Group's share of tax and net financial items of EAI.*

NRI by Segment

EUR million	Q2/13	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-30	-84	70	67	-	13	-10
Biomaterials	11	-	-7	-7	-	-	-
Building and Living	-	-7	-	-	-	-	-
Renewable Packaging	4	-	-53	-38	-	-	-15
Other	-18	-	120	88	-	32	-
NRI on Operating Profit	**-33**	**-91**	**130**	**110**	**-**	**45**	**-25**
NRI on Financial items	-	-	34	11	-	9	14
NRI on tax	9	19	63	56	-	2	5
NRI on Net Profit	**-24**	**-72**	**227**	**177**	**-**	**56**	**-6**
NRI on Net Profit attributable to							
Owners of the Parent	-24	-72	221	175	-	52	-6
Non-controlling interests	-	-	6	2	-	4	-
	-24	**-72**	**227**	**177**	**-**	**56**	**-6**

Fair Valuations and Non-operational Items* by Segment

EUR million	Q2/13	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-	-	-1	-	-	-	-1
Biomaterials	-11	-3	-29	6	-7	-24	-4
Building and Living	-	-	-3	-1	-	-	-2
Renewable Packaging	-	-	-1	-	-	-	-1
Other	-6	-4	-25	-19	-6	-10	10
Fair Valuations and Non-operational Items on Operating Profit	**-17**	**-7**	**-59**	**-14**	**-13**	**-34**	**2**

** Fair valuations and non-operational items include equity incentive schemes, synthetic options net of realised and open hedges, CO_2 emission rights, valuations of biological assets related to forest assets in EAI and Group's share of tax and net financial items of EAI.*

Operating Profit/Loss by Segment

EUR million	Q2/13	Q1/13	2012	Q4/12	Q3/12	Q2/12	Q1/12
Printing and Reading	-47	-82	292	126	53	56	57
Biomaterials	14	19	46	27	25	-9	3
Building and Living	28	-3	26	6	1	11	8
Renewable Packaging	81	68	219	17	83	73	46
Other	-2	18	118	78	3	24	13
Operating Profit (IFRS)	**74**	**20**	**701**	**254**	**165**	**155**	**127**
Net financial items	-47	-56	-220	-50	-63	-70	-37
Profit/Loss before Tax	**27**	**-36**	**481**	**204**	**102**	**85**	**90**
Income tax expense	-6	20	9	62	-21	-16	-16
Net Profit/Loss	**21**	**-16**	**490**	**266**	**81**	**69**	**74**

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	30 Jun 13	**31 Dec 12**	**30 Jun 13**	**31 Dec 12**
SEK	8.7773	8.5820	8.5297	8.7067
USD	1.3080	1.3194	1.3135	1.2856
GBP	0.8572	0.8161	0.8512	0.8111

Transaction Risk and Hedges in Main Currencies as at 30 June 2013

EUR million	USD	SEK	GBP
Estimated annual net operating cash flow exposure	1 040	-810	510
Transaction hedges as at 30 Jun 2013	-500	450	-250
Hedging Percentage as at 30 Jun 2013 for the Next 12 Months	**48%**	**56%**	**49%**

Additional USD and GBP hedges for 13–15 months increase the hedging percentages by 1% and 3% respectively.

Changes in Exchange Rates on Operational EBIT

Operational EBIT: Currency Strengthening of + 10%	EUR million
USD	104
SEK	-81
GBP	51

The sensitivity is based on estimated next 12 months net operating cash flow. The calculation does not take into account currency hedges, and assumes no changes occur other than a single currency exchange rate movement. Weakening would have the opposite impact.

Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Financial Statements.

Carrying Amounts of Financial Assets and Liabilities by Measurement and Fair Value Categories: 30 Jun 2013

EUR million	Loans and Receivables	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Available-for-Sale Financial Assets	Carrying Amounts by Balance Sheet Item	Fair Value
Financial Assets						
Available-for-sale	-	-	-	384	384	384
Non-current loan receivables	37	-	-	-	37	37
Trade and other operative receivables	1 425	-	-	-	1 425	1 425
Interest-bearing receivables	105	102	32	-	239	239
Current investments and cash	1 809	-	-	-	1 809	1 809
Carrying Amount by Category	**3 376**	**102**	**32**	**384**	**3 894**	**3 894**

EUR million	Financial Items at Fair Value through Income Statement	Hedging Derivatives	Measured at Amortised Cost	Carrying Amounts by Balance Sheet Item	Fair Value
Financial Liabilities					
Non-current debt	-	4	3 765	3 769	3 980
Current portion of non-current debt	-	-	697	697	697
Interest-bearing liabilities	110	44	453	607	607
Trade and other operative payables	-	-	1 309	1 309	1 309
Bank overdrafts	-	-	2	2	2
Carrying Amount by Category	**110**	**48**	**6 226**	**6 384**	**6 595**

EUR million	Level 1	Level 2	Level 3	Total
Derivative Financial Assets	-	134	-	**134**
Available-for-sale Financial Assets	10	-	374	**384**
Derivative Financial Liabilities	-	158	-	**158**

Reconciliation of Level 3 Fair Value Measurement of Financial Assets: 30 Jun 2013

EUR million	Unlisted Shares	Unlisted Interest-bearing Securities	Total
Opening balance at 1 January 2013	451	90	**541**
Losses recognised in other comprehensive income	-180	-	**-180**
Additions	9	-	**9**
Disposals	-1	-	**-1**
Interest capitalised	-	5	**5**
Closing Balance at 30 June 2013	**279**	**95**	**374**

Unlisted shares

The unlisted shares comprise mainly PVO shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 4.57% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by +/- EUR 76 million and a +/- 1% change in the discount rate would change the valuation by -/+ EUR 107 million.

Stora Enso Shares

Trading volume	Helsinki		Stockholm	
	A share	R share	A share	R share
April	82 353	95 508 292	91 582	38 620 347
May	37 550	73 719 905	140 437	26 711 370
June	39 434	58 050 759	69 084	16 541 339
Total	**159 337**	**227 278 956**	**301 103**	**81 873 056**

Closing Price	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
April	6.21	5.28	54.20	45.10
May	6.12	5.64	54.45	48.77
June	5.80	5.15	51.95	45.38

Calculation of Key Figures

Operational return on capital employed, operational ROCE (%)	100 x	Operational EBIT Capital employed [1,2]
Operational return on operating capital, operational ROOC (%)	100 x	Operational EBIT Operating capital [1,2]
Return on equity, ROE (%)	100 x	Profit before tax and non-controlling items – taxes Total equity [2]
Equity ratio (%)	100 x	Total equity Total assets
Interest-bearing net liabilities		Interest-bearing liabilities – interest-bearing assets
Debt/equity ratio		Interest-bearing net liabilities Equity [3]
CEPS		Fixed asset Net profit/loss for the period [3] – depreciation and impairment Average number of shares
EPS		Net profit/loss for the period [3] Average number of shares
Operational EBIT		Operating profit/loss excluding NRI and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding NRI and fair valuations of its equity accounted investments (EAI)
Operational EBITDA		Operating profit/loss excluding fixed asset depreciation and impairment, share of results of equity accounted investments, NRI and fair valuations
Net debt to operational EBITDA ratio		Interest-bearing net liabilities Operational EBITDA
Last twelve months (LTM)		Twelve months preceding the reporting date

[1] Capital employed = Operating capital – Net tax liabilities
[2] Average for the financial period
[3] Attributable to owners of the Parent

For further information, please contact:
Jouko Karvinen, CEO, tel. +358 2046 21410
Jyrki Tammivuori, CFO, tel. +358 2046 21043
Ulla Paajanen-Sainio, SVP, Investor Relations, tel. +358 40 763 8767
Sanna Lahti, SVP, Global Communications, tel. +358 2046 21251

Stora Enso's third quarter 2013 results will be published on 22 October 2013 at 13.00 EET.

ANALYST CONFERENCE CALL

CEO Jouko Karvinen, CFO Jyrki Tammivuori, EVP Printing and Living (CFO until 30 June 2013) Karl-Henrik Sundström and SVP Investor Relations Ulla Paajanen-Sainio will be hosting a combined conference call and webcast today at 14.00 Finnish time (13.00 CET, 12.00 UK time, 07.00 US Eastern time).

If you wish to participate, please dial:

Continental Europe and the UK	+44 (0) 20 3427 1914
Finland	+358 (0) 9 6937 9543
Sweden	+46 (0) 8 5065 3936
USA	+1 646 254 3362
Access code:	9521270

The live webcast may be accessed at www.storaenso.com/investors

Stora Enso is the global rethinker of the paper, biomaterials, wood products and packaging industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials. Stora Enso employs some 28 000 people worldwide, and our sales in 2012 amounted to EUR 10.8 billion. Stora Enso shares are listed on NASDAQ OMX Helsinki (STEAV, STERV) and Stockholm (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY) in the International OTCQX over-the-counter market.

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties, which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates.

www.storaenso.com
www.storaenso.com/investors

STORA ENSO OYJ