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Stora Enso Fourth Quarter and Full Year Results 2012

Strong cash flow, deteriorating paper markets, proposed dividend EUR 0.30

Q4 2012 (compared with Q4 2011)

- ***Operational EBIT EUR 10 million higher than in Q4 2011 at EUR 155 (EUR 145) million mainly due to lower costs, EUR 20 million lower than in Q3 2012 (EUR 175) million driven by seasonally higher fixed costs.***
- ***Strong cash flow from operations at EUR 471(EUR 302) million and strong liquidity at EUR 1 845 (EUR 1 134) million.***
- ***Operational ROCE 7.1% (6.7%).***

Full Year 2012 (compared with 2011)

- ***Operational EBIT EUR 248 million lower than in 2011 at EUR 618 (EUR 867) million mainly due to lower sales prices.***
- ***Improved cash flow from operations at EUR 1 253 (EUR 1 034) million.***
- ***Ratio of net debt to the last twelve months' operational EBITDA 2.5 (2.1).***

Outlook and actions

- ***Q1 2013 sales expected to be at roughly similar level but operational EBIT in the order of magnitude one-third lower than in Q4 2012 due to deterioration in European paper and Building and Living markets.***
- ***Skoghall and Ostrołęka investments started up as planned.***
- ***Restructuring plans including 475 000 tonnes of newsprint capacity reduction and annual cost savings of EUR 54 million announced.***

Summary of Fourth Quarter Results

		Q4/12	2012	Q4/11	2011
Sales	EUR million	2 727.0	10 814.8	2 681.6	10 964.9
Operational EBITDA	EUR million	272.8	1 082.6	242.9	1 308.0
Operational EBIT*	**EUR million**	**155.0**	**618.3**	**144.9**	**866.7**
Operating profit (IFRS)	EUR million	251.1	689.0	169.5	759.3
Profit before tax excl. NRI	EUR million	83.5	318.5	141.4	639.1
Profit before tax	EUR million	203.7	481.7	110.3	420.9
Net profit excl. NRI	EUR million	88.9	263.9	80.5	498.2
Net profit	EUR million	265.5	490.4	100.2	342.2
EPS excl. NRI	EUR	0.11	0.33	0.10	0.63
EPS	EUR	0.33	0.61	0.12	0.43
CEPS excl. NRI	EUR	0.30	1.07	0.28	1.33
Operational ROCE	%	7.1	7.1	6.7	10.0

**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

	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Paper and board deliveries (1 000 tonnes)	2 569	2 576	2 606	10 268	10 330	-1.4	-0.3	-0.6
Paper and board production (1 000 tonnes)	2 561	2 610	2 512	10 357	10 346	2.0	-1.9	0.1
Wood products deliveries (1 000 m^3)	1 175	1 129	1 177	4 750	5 072	-0.2	4.1	-6.3
Market pulp deliveries (1 000 tonnes)*	284	267	289	1 058	1 130	-1.7	6.4	-6.4
Corrugated packaging deliveries (million m^2)	279	275	273	1 097	1 018	2.2	1.5	7.8

** Stora Enso's net market pulp position was about 1 million tonnes for 2012.*

Key Figures

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	2 727.0	2 694.1	2 681.6	10 814.8	10 964.9	1.7	1.2	-1.4
Operational EBITDA	272.8	299.6	242.9	1 082.6	1 308.0	12.3	-8.9	-17.2
Operational EBIT	155.0	174.7	144.9	618.3	866.7	7.0	-11.3	-28.7
Operational EBIT margin, %	5.7	6.5	5.4	5.7	7.9	5.6	-12.3	-27.8
Operating profit (IFRS)	251.1	161.3	169.5	689.0	759.3	48.1	55.7	-9.3
Operating margin (IFRS), %	9.2	6.0	6.3	6.4	6.9	46.0	53.3	-7.2
Profit before tax excl. NRI	83.5	102.2	141.4	318.5	639.1	-40.9	-18.3	-50.2
Profit before tax	203.7	102.2	110.3	481.7	420.9	84.7	99.3	14.4
Net profit for the period excl. NRI	88.9	81.3	80.5	263.9	498.2	10.4	9.3	-47.0
Net profit for the period	265.5	81.3	100.2	490.4	342.2	165.0	226.6	43.3
Capital expenditure	209.4	130.5	230.7	556.3	453.3	-9.2	60.5	22.7
Depreciation and impairment charges excl. NRI	150.1	149.3	141.0	583.0	554.9	6.5	0.5	5.1
Operational ROCE, %	7.1	8.0	6.7	7.1	10.0	6.0	-11.3	-29.0
Earnings per share (EPS) excl. NRI, EUR	0.11	0.10	0.10	0.33	0.63	10.0	10.0	-47.6
EPS (basic), EUR	0.33	0.10	0.12	0.61	0.43	175.0	230.0	41.9
Cash earnings per share (CEPS) excl. NRI, EUR	0.30	0.29	0.28	1.07	1.33	7.1	3.4	-19.5
CEPS, EUR	0.45	0.29	0.30	1.28	1.16	50.0	55.2	10.3
Return on equity (ROE), %	18.2	5.7	6.7	8.3	5.6	171.6	219.3	48.2
Debt/equity ratio	0.48	0.52	0.47	0.48	0.47	2.1	-7.7	2.1
Net debt/last twelve months' operational EBITDA	2.5	2.8	2.1	2.5	2.1	19.0	-10.7	19.0
Equity per share, EUR	7.33	7.27	7.45	7.33	7.45	-1.6	0.8	-1.6
Equity ratio, %	42.9	42.7	45.8	42.9	45.8	-6.3	0.5	-6.3
Average number of employees	28 331	29 167	29 639	28 777	27 958	-4.4	-2.9	2.9
Average number of shares (million)								
periodic	788.6	788.6	788.6	788.6	788.6			
cumulative	788.6	788.6	788.6	788.6	788.6			
cumulative, diluted	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	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Operational EBITDA	**272.8**	**299.6**	**242.9**	**1 082.6**	**1 308.0**	**12.3**	**-8.9**	**-17.2**
Equity accounted investments (EAI), operational*	32.3	24.4	43.0	118.7	113.6	-24.9	32.4	4.5
Depreciation and impairment excl. NRI	-150.1	-149.3	-141.0	-583.0	-554.9	-6.5	-0.5	-5.1
Operational EBIT	**155.0**	**174.7**	**144.9**	**618.3**	**866.7**	**7.0**	**-11.3**	**-28.7**
Fair valuations and non-operational items**	-13.6	-13.4	45.6	-58.9	-27.5	-129.8	-1.5	-114.2
Non-recurring items	109.7	-	-21.0	129.6	-79.9	n/m	100.0	262.2
Operating Profit (IFRS)	**251.1**	**161.3**	**169.5**	**689.0**	**759.3**	**48.1**	**55.7**	**-9.3**

** Group's share of Operational EBIT of EAI.*
*** 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 equity accounted investments (EAI) and Group's share of tax and net financial items of EAI.*

Q4/2012 Results (compared with Q4/2011)

Breakdown of Sales Change Q4/2011 to Q4/2012

	Sales
Q4/11, EUR million	**2 681.6**
Price and mix, %	-2
Currency, %	1
Volume, %	-
Other sales*, %	1
Total before structural changes, %	-
Structural change**, %	2
Total, %	2
Q4/12, EUR million	**2 727.0**

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

Operational EBIT at EUR 155 million was EUR 10 million higher than a year ago. This represents an operational EBIT margin of 5.7% (5.4%).

Clearly lower sales prices in local currencies, especially for paper products, had a negative impact of EUR 48 million on operational EBIT. Higher deliveries and production of packaging grades more than offsetting lower deliveries of paper, market pulp and sawn goods increased operational EBIT by EUR 22 million. Paper and board production was curtailed by 9% (13%) and sawnwood production by 5% (15%) to manage supply.

The overall net impact of variable costs in local currencies was a positive EUR 42 million, mainly due to lower prices for corrugated raw material and paper for recycling. Some sawlog prices were higher than last year, mainly due to limited log availability in Central Europe. The operational EBIT from the equity accounted investments was lower than a year ago, and in particular, the operational EBIT from the Nordic forest equity accounted investments was EUR 8 million lower.

The average number of employees in the fourth quarter of 2012 was 1 300 lower than a year earlier at 28 300 as the number of employees decreased in all geographical areas.

Fair valuations and non-operational items decreased by EUR 60 million mainly due to the higher valuation of biological assets in Bergvik Skog and Veracel a year ago. The Group's share of the net financial expenses of the EAI increased by EUR 14 million in the fourth quarter of 2012. The Group recorded non-recurring items (NRI) with a positive net impact of approximately EUR 110 million on operating profit, a positive impact of approximately EUR 11 million on financial items and a positive impact of approximately EUR 56 million on income tax in its fourth quarter 2012 results. The impact of the NRI on operating profit was mainly due to a positive net impact of approximately EUR 65 million as a result of fixed asset impairment testing, a negative impact of approximately EUR 43 million due to the plans to restructure operations in all Business Areas and a positive impact of approximately EUR 69 million relating to the Group's share of the effect of the new tax rate on the equity accounted investment Bergvik Skog. The impact of the NRI on income tax was also mainly due to this tax rate change in Sweden.

Net financial items were EUR 12 million less negative than in the previous year, mainly due to the one-time EUR 11 million gain from the settlement of the NewPage lease guarantee. The net interest expenses increased by EUR 12 million due to higher gross debt levels. A non-recurring EUR 10 million write-down of loan receivables was recorded in the fourth quarter of 2011.

Breakdown of Capital Employed Change Q4/2011 to Q4/2012

Group capital employed was EUR 8 633 million on 31 December 2012, a net decrease of EUR 73 million on a year earlier.

	Capital Employed
Q4/11, EUR million	**8 706**
Equity accounted investments	110
Net tax liabilities	140
Available-for-sale: operative (mainly PVO)	-190
Net liabilities in defined benefit plans	-130
Operative working capital and other interest-free items, net	-50
Translation difference	50
Other changes	-3
Q4/12, EUR million	**8 633**

The operational return on capital employed was 7.1% (6.7%), excluding the ongoing strategic investments in Biomaterials and Renewable Packaging it would have been 8.6 % (7.6%).

January–December 2012 Results (compared with January–December 2011)

Breakdown of Sales Change 2011 to 2012

	Sales
2011, EUR million	**10 964.9**
Price and mix, %	-2
Currency, %	1
Volume, %	-1
Other sales*, %	-
Total before structural changes, %	-2
Structural change**, %	1
Total, %	-1
2012, EUR million	**10 814.8**

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

Operational EBIT decreased by EUR 248 million to EUR 618 million. The operational EBIT margin was 5.7% (7.9%).

Significantly lower sales prices in local currencies for paper, pulp and to some extent some packaging grades decreased operational EBIT by EUR 262 million. Lower sales volumes in paper, pulp and sawn goods, partly offset by higher production and sales volumes for packaging grades, decreased operational EBIT by EUR 18 million, but lower variable costs, mainly for corrugated raw material, paper for recycling and pulp, increased operational EBIT by EUR 67 million. Fixed costs were similar to the previous year as higher personnel costs were compensated by lower maintenance costs and actions to decrease the overall fixed costs. Exchange rates had a negative net impact on sales and costs of EUR 28 million after hedges.

Net financial items were EUR 131 million less negative than in the previous year, mainly due to the one-time EUR 128 million loss from the provision related to the NewPage lease guarantee recorded in 2011, whereas a EUR 34 million gain was recorded on the reversal of provisions and settlement in 2012. The net interest expenses increased by EUR 49 million due to higher gross debt levels. Net foreign exchange losses decreased by EUR 16 million.

Q4/2012 Results (compared with Q3/2012)
Sales were similar to the previous quarter at EUR 2 727 million. Operational EBIT was EUR 20 million lower than in the previous quarter at EUR 155 million. Fixed costs were higher due to seasonality and higher maintenance activity, partly offset by lower variable costs.

Capital Structure

EUR million	31 Dec 12	30 Sep 12	30 Jun 12	31 Mar 12	31 Dec 11
Operative fixed assets	6 021.1	6 001.2	5 879.3	6 032.0	6 120.4
Equity accounted investments	1 965.1	1 977.5	1 947.9	1 925.9	1 913.1
Operative working capital, net	1 460.1	1 641.5	1 587.3	1 529.6	1 504.6
Non-current interest-free items, net	-592.2	-461.1	-453.8	-467.6	-486.1
Operating Capital Total	**8 854.1**	**9 159.1**	**8 960.7**	**9 019.9**	**9 052.0**
Net tax liabilities	-221.3	-335.0	-313.7	-315.0	-346.4
Capital Employed	**8 632.8**	**8 824.1**	**8 647.0**	**8 704.9**	**8 705.6**
Equity attributable to owners of the Parent	5 784.5	5 735.0	5 560.9	5 906.7	5 872.7
Non-controlling interests	91.5	89.3	91.5	86.5	87.1
Net interest-bearing liabilities	2 756.8	2 999.8	2 994.6	2 711.7	2 745.8
Financing Total	**8 632.8**	**8 824.1**	**8 647.0**	**8 704.9**	**8 705.6**

Financing Q4/2012 (compared with Q3/2012)
Cash flow from operations was EUR 471 (EUR 312) million. Cash flow after investing activities was EUR 271 (EUR 120) million. Interest-bearing net liabilities of the Group decreased by EUR 243 million to EUR 2 757 million due to good cash flow generation during the fourth quarter driven by working capital management.

Total unutilised committed credit facilities were unchanged at EUR 700 million, and cash and cash equivalents net of overdrafts remained strong at EUR 1 845 million, which is EUR 145 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 operational EBITDA margin for the last twelve months was 10.0% (9.8%). The ratio of net debt to the last twelve months' operational EBITDA was 2.5 (2.8). The debt/equity ratio at 31 December 2012 was 0.48 (0.52). The decrease is primarily due to the EUR 262 million net profit attributable to owners of the parent company for the fourth quarter of 2012 and the EUR 243 million decrease in net interest-bearing liabilities.

Cash Flow

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Operating profit	251.1	161.3	169.5	689.0	759.3	48.1	55.7	-9.3
Depreciation and other non-cash items	80.2	147.4	51.0	491.3	492.0	57.3	-45.6	-0.1
Change in working capital	139.7	3.7	81.8	72.4	-217.0	70.8	n/m	133.4
Cash Flow from Operations	**471.0**	**312.4**	**302.3**	**1 252.7**	**1 034.3**	**55.8**	**50.8**	**21.1**
Cash spent on fixed and biological assets	-183.8	-155.0	-187.0	-560.7	-409.6	1.7	-18.6	-36.9
Acquisitions of equity accounted investments	-16.0	-37.0	-41.5	-114.5	-128.6	61.4	56.8	11.0
Cash Flow after Investing Activities	**271.2**	**120.4**	**73.8**	**577.5**	**496.1**	**267.5**	**125.2**	**16.4**

Capital Expenditure for January–December 2012

Additions to fixed and biological assets in 2012 totalled EUR 556 million, which is 95% of depreciation in the same period. The equity injection into Montes del Plata, a joint venture in Uruguay, was EUR 115 million in 2012.

Investments in fixed assets and biological assets had a cash outflow impact of EUR 561 million in 2012.

The main projects ongoing during 2012 were Montes del Plata, the Ostrołęka containerboard machine and the Skoghall woodyard investment.

Capital Expenditure, Equity injections and Depreciation Forecast 2013

EUR million	Forecast 2013
Capital expenditure	350–400*
Equity injections	110–130
Total	**460–530**
Depreciation	600–620

* Excluding the capital expenditure in 2013 for the board and pulp mills project in Guangxi, China.

Capital expenditure in 2013 for the board and pulp mills project in Guangxi, China will be confirmed when the project approvals have been given and the construction and production schedule has been updated.

Near-term Outlook

In the first quarter of 2013 Group sales are expected to be at roughly similar level but operational EBIT in the order of magnitude one-third lower than in the fourth quarter of 2012 due to deterioration in European paper and Building and Living markets. The impact of the restructuring plans announced today would start to have an impact on the Group's results from the second half of 2013 onwards. In Biomaterials, Veracel Pulp Mill will take its annual maintenance stoppage during the quarter.

Segments Q4/12 compared with Q4/11

Printing and Reading

Printing and Reading's wide offering serves publishers, advertisers, printing houses, merchants, office equipment manufacturers and office suppliers, among others. Printing and Reading produces newsprint, SC paper, coated paper grades and office paper.

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	1 194.5	1 226.8	1 283.8	4 839.3	5 022.0	-7.0	-2.6	-3.6
Operational EBITDA	128.3	119.4	123.3	488.6	547.6	4.1	7.5	-10.8
Operational EBIT	58.0	51.1	55.6	218.1	285.3	4.3	13.5	-23.6
% of sales	4.9	4.2	4.3	4.5	5.7	14.0	16.7	-21.1
Operational ROOC, %*	7.7	6.7	7.2	7.2	9.2	6.9	14.9	-21.7
Paper deliveries, 1 000 t	1 791	1 794	1 886	7 130	7 219	-5.0	-0.2	-1.2
Paper production, 1 000 t	1 809	1 789	1 811	7 210	7 228	-0.1	1.1	-0.2

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

- Slightly lower sales prices in local currencies and somewhat lower paper deliveries were offset by lower variable costs, especially for paper for recycling, and lower maintenance costs.
- It is planned to shut down two newsprint paper machines with 475 000 tonnes of capacity and reorganise customer service. Annual cost savings targeted EUR 24 million.
- PM 1 at Hylte Mill in Sweden was permanently shut down at the end of 2012.
- Curtailments to adjust to weakening demand are planned for the first quarter in 2013 to minimise costs and safeguard cash flow.

Markets

Product	Market	Demand Q4/12 compared with Q4/11	Demand Q4/12 compared with Q3/12	Price Q4/12 compared with Q4/11	Price Q4/12 compared with Q3/12
Paper	Europe	Weaker	Stronger	Slightly lower	Stable

Biomaterials

Biomaterials offers a variety of pulp grades to meet the demands of paper, board and tissue producers. Pulp is an excellent raw material: it is made from renewable resources in a sustainable manner, and has many different uses.

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	256.6	267.6	255.4	1 012.4	1 092.0	0.5	-4.1	-7.3
Operational EBITDA	33.2	37.5	26.3	98.9	200.4	26.2	-11.5	-50.6
Operational EBIT	27.7	32.5	27.2	82.1	169.2	1.8	-14.8	-51.5
% of sales	10.8	12.1	10.6	8.1	15.5	1.9	-10.7	-47.7
Operational ROOC, %*	7.7	9.0	7.7	5.7	12.0	0.0	-14.4	-52.5
Pulp deliveries, 1 000 t	471	467	465	1 836	1 851	1.3	0.9	-0.8

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

- Average market pulp prices were similar to a year ago despite lower softwood pulp prices, which were offset by the improved product mix (hardwood and dissolving pulp). The lower profits from equity accounted investments were offset by lower fixed costs and slightly higher volumes.
- Operating efficiency was high in all Biomaterials mills despite a fire that caused some disruptions at Skutskär Mill in Sweden.
- Negotiations regarding efficiency improvement actions at Skutskär Mill to reduce costs and improve the mill’s competitiveness in response to the challenging market environment have concluded. The targeted annual cost savings of EUR 6 million are expected to be achieved from the fourth quarter of 2013 onwards.
- The Biorefinery R&D unit was transferred from the segment Other to the Biomaterials Business Area at the beginning of 2013. The unit will create future business opportunities.
- The Montes del Plata pulp mill project is progressing and currently more than 80% of the construction work has been completed. The mill is expected to start up approximately mid-year 2013.

Markets

Product	Market	Demand Q4/12 compared with Q4/11	Demand Q4/12 compared with Q3/12	Price Q4/12 compared with Q4/11	Price Q4/12 compared with Q3/12
Softwood pulp	Europe	Significantly stronger	Slightly stronger	Significantly lower	Slightly higher

Building and Living

Building and Living provides wood-based products and innovations for construction and interior decoration, as well as solid biofuels for the energy sector. Building and Living products address building, living and packaging needs. The products are recyclable, and made from high quality renewable European pine or spruce.

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	456.2	403.3	382.0	1 684.4	1 671.1	19.4	13.1	0.8
Operational EBITDA	17.0	10.4	15.4	58.8	102.3	10.4	63.5	-42.5
Operational EBIT	6.8	0.7	6.0	28.8	62.8	13.3	n/m	-54.1
% of sales	1.5	0.2	1.6	1.7	3.8	-6.3	n/m	-55.3
Operational ROOC, %*	4.7	0.5	4.2	5.1	10.9	11.9	n/m	-53.2
Deliveries, 1 000 m^3	1 132	1 097	1 143	4 592	4 920	-1.0	3.2	-6.7

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

- Sales prices in local currencies were slightly higher than a year ago, mainly due to a better geographical mix and slightly higher overseas prices, but the market in Europe remained weak. The fourth quarter of

2012 was the first full quarter when the sawn timber trading company RETS Timber Oy Ltd was consolidated as a subsidiary in the Building and Living Business Area.

- Actions are planned to reduce costs and increase productivity throughout the Business Area. Annual cost savings targeted EUR 30 million.
- The pressure in raw material markets persisted and the decreased raw material availability, especially in Central Europe, increased saw log costs and continued to reduce profits.
- The previously announced profit improvement actions are proceeding as planned.
- Building and Living agreed on collaboration with Skanska in which Stora Enso will supply wooden modular elements for a BoKlok project at Vantaa in Finland. Construction work will commence in spring 2013.
- Building and Living and the construction company SRV announced the winner of the Wood City architectural competition. Construction of the world-class wooden city quarter in Helsinki will start in early 2014.

Markets

Product	Market	Demand Q4/12 compared with Q4/11	Demand Q4/12 compared with Q3/12	Price Q4/12 compared with Q4/11	Price Q4/12 compared with Q3/12
Wood products	Europe	Weaker	Slightly weaker	Slightly higher	Stable

Renewable Packaging

Renewable Packaging produces fibre-based packaging materials and innovative packaging solutions for all major consumer goods and industrial packaging applications. Renewable Packaging operates in every stage of the value chain, from pulp production, material and package production to recycling. The Business Area comprises three business units: Consumer Board, Packaging Solutions and Packaging Asia.

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	797.7	812.2	756.6	3 216.0	3 194.6	5.4	-1.8	0.7
Operational EBITDA	105.5	134.0	82.7	474.6	495.8	27.6	-21.3	-4.3
Operational EBIT	54.8	82.9	32.8	271.9	301.3	67.1	-33.9	-9.8
% of sales	6.9	10.2	4.3	8.5	9.4	60.5	-32.4	-9.6
Operational ROOC, %*	9.2	14.2	6.1	12.1	14.2	50.8	-35.2	-14.8
Paper and board deliveries, 1 000 t	778	782	720	3 138	3 111	8.1	-0.5	0.9
Paper and board production, 1 000 t	752	821	701	3 147	3 118	7.3	-8.4	0.9
Corrugated packaging deliveries, million m^2	279	275	273	1 097	1 018	2.2	1.5	7.8
Corrugated packaging production, million m^2	275	269	264	1 076	1 006	4.2	2.2	7.0

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

- Slightly lower sales prices in local currencies for corrugated packaging, mainly due to the product mix, were offset by lower variable costs, especially for corrugated raw material and wood. Volumes were higher than a year ago, supported by the stronger market and growth initiatives. The ongoing actions to control fixed costs proved effective as these costs were kept to the same level as a year ago.
- Preparations to establish the joint venture Bulleh Shah Packaging (Private) Limited with Packages Ltd. of Pakistan are proceeding as planned. Establishment of the joint venture is expected to be completed during the first quarter of 2013.
- There were some temporary production disturbances following the investments at Skoghall Mill in Sweden and Imatra Mills in Finland.
- In the integrated plantation-based board and pulp mills project at Beihai city in Guangxi in China, the preparations are proceeding. The construction and production schedule will be updated when the final approvals are given and detailed plans are in place.

- The new containerboard machine at Ostrołęka Mill in Poland started up in January 2013 six weeks ahead of the internal schedule. The machine is currently in the ramp-up phase, which is expected to take couple of months.
- Board machine (BM) 2 at Ostrołęka Mill was permanently shut down in January 2013. Negotiations concerning permanent closure of the corrugated packaging plant at Ruovesi in Finland have concluded and the plant will be closed down at the end of July 2013. Negotiations concerning streamlining of operations at the Heinola, Ingerois and Pori board plants in Finland and corrugated packaging operations at all the Swedish units announced on 23 October 2012 have concluded at all sites. The targeted annual cost savings of EUR 13 million are expected to be achieved from the fourth quarter of 2013 onwards.

Markets

Product	Market	Demand Q4/12 compared with Q4/11	Demand Q4/12 compared with Q3/12	Price Q4/12 compared with Q4/11	Price Q4/12 compared with Q3/12
Consumer board	Europe	Significantly stronger	Slightly weaker	Stable	Stable
Corrugated packaging	Europe	Slightly stronger	Stable	Slightly lower	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	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	673.0	644.9	643.9	2 683.5	2 700.5	4.5	4.4	-0.6
Operational EBITDA	-11.2	-1.7	-4.8	-38.3	-38.1	-133.3	n/m	-0.5
Operational EBIT	7.7	7.5	23.3	17.4	48.1	-67.0	2.7	-63.8
% of sales	1.1	1.2	3.6	0.6	1.8	-69.4	-8.3	-66.7

- Operational EBIT from the Nordic equity accounted investments was EUR 8 million lower than a year ago mainly due to lower capital gains.
- Costs were similar to a year ago in Group services.

Short-term Risks and Uncertainties

The main short-term risks and uncertainties continue to relate to the potential impact on the Group's products from the economic situation in Europe and the structural decline in paper demand.

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 20 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 204 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 74 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 103 million, negative EUR 93 million and positive EUR 60 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.

Fourth Quarter Events
In October Stora Enso announced the composition of its Nomination Board.

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. On 14 December 2010 a US federal district court granted a motion for summary judgement that Stora Enso had filed on behalf of both SEO and SENA seeking dismissal of the direct purchaser class action claims. Following appeal, a federal court of appeals on 6 August 2012 upheld the district court's ruling as to SEO, which means that the direct purchaser class action claims against SEO have been found to be without legal foundation, 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 appeal court's decision is procedural and does not constitute a legal finding that SENA has violated antitrust laws. A motion by SENA requesting the US Supreme Court to review and reverse the federal court of appeals decision vacating the district court's ruling as to SENA has been dismissed by the Supreme Court and the case against SENA will now proceed to trial in the district court. 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 are ultimately successful in obtaining a final judgement that SENA violated antitrust laws. Since Stora Enso disposed of SENA in 2007, Stora Enso's liability, if any, will be determined by the provisions in the SENA Sales and Purchasing Agreement. No provisions have been made in Stora Enso's accounts for these lawsuits.

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 70 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 17 January 2012 Stora Enso announced that it was renewing its Business Area and Reporting Segment structure. The changes in the Business Areas and management took effect as of 17 January 2012.

The Group Executive Team has been as follows since 19 March 2012:

Jouko Karvinen, Chief Executive Officer
Juan Bueno, Executive Vice President, Biomaterials Business Area
Lars Häggström, Executive Vice President, Global People and Organisation
Hannu Kasurinen, Executive Vice President, Building and Living Business Area
Per Lyrvall, Executive Vice President, Global Ethics and Compliance, General Counsel
Mats Nordlander, Executive Vice President, Renewable Packaging Business Area
Lauri Peltola, Executive Vice President, Global Identity
Karl-Henrik Sundström, Executive Vice President, Chief Financial Officer (as of 1 August 2012)
Juha Vanhainen, Executive Vice President, Printing and Reading Business Area

Markus Rauramo, Executive Vice President, Chief Financial Officer and a member of the Group Executive Team, relinquished his duties with Stora Enso on 31 July 2012.

Personnel
On 31 December 2012 there were 28 203 employees in the Group, 1 302 less than at the end of 2011. The average number of employees in 2012 was 28 777, which was 819 higher than the average number in 2011. The average number of employees in 2012 was 724 lower in Europe and 1 543 higher in other areas, mainly Asia, than in 2011.

Share Capital
During the quarter no A shares were converted into R shares.

On 31 December 2012 Stora Enso had 177 147 772 A shares and 612 390 727 R shares in issue of which the Company held no A shares and 918 512 R shares with a nominal value of EUR 1.6 million. The holding represents 0.12% of the Company's share capital and 0.04% of the voting rights.

Annual General Meeting
The Annual General Meeting (AGM) will be held at 16.00 (Finnish time) on Tuesday 23 April 2013 at Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

The agenda of the AGM and proposals on the agenda of the AGM, as well as the AGM notice, will be available on Stora Enso Oyj's website at www.storaenso.com/agm. Stora Enso's annual accounts, the Report of the Board of Directors and the auditor's report for 2012 will be published on Stora Enso Oyj's website www.storaenso.com/investors during the week commencing on Monday 18 February 2013. The proposals for decisions and the other above-mentioned documents will also be available at the AGM. Copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the AGM will be available on Stora Enso Oyj's website www.storaenso.com/agm from Tuesday 7 May 2013.

The Board of Directors' Proposal for the Payment of Dividend
The Board of Directors proposes to the AGM that a dividend of EUR 0.30 per share be distributed for the year 2012.

The dividend would be paid to shareholders who on the record date of the dividend payment, 26 April 2013, 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 US dollars.

The Board of Directors proposes to the AGM that the dividend be paid on 15 May 2013.

This report is unaudited.

Helsinki, 5 February 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 2011.

There were no new EU-endorsed standards or interpretations effective from 1 January 2012. The IASB has published one amendment effective from 1 January 2012. It does not affect the Group's financial statements.

New Business Area Structure
In the first quarter of 2012 Stora Enso reorganised its Business Area and Reporting Segment structure based on the different markets and customers the Business Areas serve. The new reporting segments are Printing and Reading, Biomaterials, Building and Living, Renewable Packaging and Other.

The Printing and Reading Business Area comprises the former Newsprint and Book Paper, Magazine Paper and Fine Paper reporting segments. The Biomaterials Business Area mainly comprises tree plantations, the Group's joint-venture Veracel and Montes del Plata pulp mills and Nordic stand-alone pulp mills. The Wood Products Business Area was renamed the Building and Living Business Area. The Renewable Packaging Business Area comprises the former Consumer Board and Industrial Packaging reporting segments, and includes the plantations in Guangxi in China. The segment Other includes the Nordic forest equity accounted investments, Stora Enso's shareholding in Pohjolan Voima, the operations supplying wood to the Nordic mills and Group administration. The comparative data have been reclassified accordingly.

Condensed Consolidated Income Statement

EUR million	Q4/12	Q3/12	Q4/11	2012	2011	Change % Q4/12–Q4/11	Change % Q4/12–Q3/12	Change % 2012–2011
Sales	2 727.0	2 694.1	2 681.6	10 814.8	10 964.9	1.7	1.2	-1.4
Other operating income	47.6	47.7	53.1	218.8	208.9	-10.4	-0.2	4.7
Materials and services	-1 782.2	-1 724.6	-1 796.2	-6 974.1	-6 971.9	0.8	-3.3	-
Freight and sales commissions	-259.4	-255.8	-243.5	-1 007.5	-1 018.9	-6.5	-1.4	1.1
Personnel expenses	-314.6	-331.1	-327.9	-1 360.8	-1 393.9	4.1	5.0	2.4
Other operating expenses	-161.8	-127.7	-148.3	-578.3	-575.2	-9.1	-26.7	-0.5
Share of results of equity accounted investments	91.1	8.0	89.9	107.7	118.0	1.3	n/m	-8.7
Depreciation and impairment	-96.6	-149.3	-139.2	-531.6	-572.6	30.6	35.3	7.2
Operating Profit	**251.1**	**161.3**	**169.5**	**689.0**	**759.3**	**48.1**	**55.7**	**-9.3**
Net financial items	-47.4	-59.1	-59.2	-207.3	-338.4	19.9	19.8	38.7
Profit before Tax	**203.7**	**102.2**	**110.3**	**481.7**	**420.9**	**84.7**	**99.3**	**14.4**
Income tax	61.8	-20.9	-10.1	8.7	-78.7	n/m	n/m	111.1
Net Profit for the Period	**265.5**	**81.3**	**100.2**	**490.4**	**342.2**	**165.0**	**226.6**	**43.3**
Attributable to:								
Owners of the Parent	261.8	80.0	98.7	480.5	339.7	165.2	227.3	41.4
Non-controlling interests	3.7	1.3	1.5	9.9	2.5	146.7	184.6	296.0
	265.5	**81.3**	**100.2**	**490.4**	**342.2**	**165.0**	**226.6**	**43.3**
Earnings per Share								
Basic earnings per share, EUR	0.33	0.10	0.12	0.61	0.43	175.0	230.0	41.9
Diluted earnings per share, EUR	0.33	0.10	0.12	0.61	0.43	175.0	230.0	41.9

Consolidated Statement of Comprehensive Income

EUR million	2012	2011
Net profit for the period	490.4	342.2
Other Comprehensive Income		
Actuarial losses on defined benefit plans	-167.3	-55.8
Available-for-sale financial assets	-177.6	-240.5
Currency and commodity hedges	33.6	-128.4
Share of other comprehensive income of equity accounted investments	-4.2	-19.4
Currency translation movements on equity net investments (CTA)	-29.4	-76.2
Currency translation movements on non-controlling interests	-3.2	-
Net investment hedges	-16.8	6.0
Income tax relating to components of other comprehensive income	29.6	40.8
Other Comprehensive Income net of tax	**-335.3**	**-473.5**
Total Comprehensive Income	**155.1**	**-131.3**
Total Comprehensive Income Attributable to:		
Owners of the Parent	148.4	-133.8
Non-controlling interests	6.7	2.5
	155.1	**-131.3**

Condensed Consolidated Statement of Cash Flows

EUR million	2012	2011
Cash Flow from Operating Activities		
Operating profit	689.0	759.3
Hedging result from OCI	33.7	-127.3
Adjustments for non-cash items	491.3	492.0
Change in net working capital	55.4	-173.3
Cash Flow Generated by Operations	**1 269.4**	**950.7**
Net financial items paid	-230.2	-124.8
Income taxes paid, net	-103.6	-129.1
Net Cash Provided by Operating Activities	**935.6**	**696.8**
Cash Flow from Investing Activities		
Acquisitions of subsidiaries and business operations, net of acquired cash	-11.3	-25.0
Acquisitions of equity accounted investments	-114.5	-128.6
Proceeds from sale of fixed assets and shares, net of disposed cash	8.1	22.1
Capital expenditure	-560.7	-409.6
Payments/proceeds of non-current receivables, net	-5.3	-4.0
Net Cash Used in Investing Activities	**-683.7**	**-545.1**
Cash Flow from Financing Activities		
Proceeds from issue of new long-term debt	1 471.5	61.7
Long-term debt, payments	-570.7	-83.3
Change in short-term borrowings	-179.3	131.2
Dividends paid	-236.6	-197.2
Dividend to non-controlling interests	-2.5	-3.6
Net Cash Provided by/Used in Financing Activities	**482.4**	**-91.2**
Net Increase in Cash and Cash Equivalents	**734.3**	**60.5**
Translation adjustment	-23.2	-29.3
Net cash and cash equivalents at the beginning of period	1 134.3	1 103.1
Net Cash and Cash Equivalents at Period End	**1 845.4**	**1 134.3**
Cash and Cash Equivalents at Period End	**1 849.9**	**1 138.8**
Bank Overdrafts at Period End	**-4.5**	**-4.5**
Net Cash and Cash Equivalents at Period End	**1 845.4**	**1 134.3**
Acquisitions		
Cash and cash equivalents, net of bank overdraft	1.8	15.7
Fixed assets	5.8	52.0
Working capital	8.5	13.1
Tax assets and liabilities	0.6	-4.6
Interest-bearing liabilities and receivables	-5.0	-5.4
Fair Value of Net Assets Acquired	**11.7**	**70.8**
Non-controlling interest (as proportionate share)	-0.2	-37.2
Goodwill (provisional for 2011)	0.1	11.3
Value of previously held equity interests	-2.8	-
Total Purchase Consideration	**8.8**	**44.9**
Less cash and cash equivalents in acquired companies	-1.8	-15.7
Net Purchase Consideration	**7.0**	**29.2**
Cash part of the consideration, net of acquired cash	11.3	25.0
Non-cash part of the consideration	-	4.2
Payment concerning unfinished 2011 acquisition	-4.3	-
Net Purchase Consideration	**7.0**	**29.2**

Inpac Acquisition

EUR million	Final Fair Value Table
Cash and cash equivalents, net of bank overdraft	15.7
Fixed assets	52.4
Working Capital	12.5
Tax assets and liabilities	-4.6
Interest-bearing assets and liabilities	-5.4
Non-controlling interest	-37.6
Net Assets	**33.0**
Goodwill	11.5
Purchase Consideration	**44.5**
Consideration	44.5
Cash and cash equivalents in acquired companies, net of bank overdraft	-15.7
Cash Flow Impact	**28.8**

Inpac acquisition

On 28 July 2011 Stora Enso completed the acquisition of 51% of the shares in the Chinese packaging company Inpac International Print & Packaging Co., Ltd., subsequently renamed Stora Enso Inpac Packaging Co. Ltd. Inpac is a packaging products company with production operations in China and India, and service operations in Korea. Inpac specialises in manufacturing consumer packaging, especially for global manufacturers of consumer electronics and other consumer goods. The acquisition gives Stora Enso access to new customers in the fast-growing Chinese, Indian and Korean markets, and will enable it to grow with global key customers in new geographic areas.

The Inpac acquisition accounting was finalised in the third quarter of 2012 and the final consideration amounted to EUR 44.5 million and goodwill to EUR 11.5 million. During 2012 there was a EUR 0.2 million adjustment to the provisional net asset amount presented in 2011 Annual Report. The acquisition was financed from the Group’s own cash assets. The goodwill is based on future earnings expectations and synergy benefits. The non-controlling interest in Inpac was valued as the proportionate share of the acquiree’s net assets.

Property, Plant and Equipment, Intangible Assets and Goodwill

EUR million	2012	2011
Carrying value at 1 January	5 480.2	5 565.8
Acquisition of subsidiary companies	5.9	63.3
Additions in fixed assets	536.6	436.1
Additions in biological assets	19.7	17.2
Change in emission rights	-13.3	2.0
Disposals	-2.3	-13.4
Depreciation and impairment	-531.6	-572.6
Translation difference and other	75.3	-18.2
Statement of Financial Position Total	**5 570.5**	**5 480.2**

Borrowings

EUR million	31 Dec 12	31 Dec 11
Non-current borrowings	4 341.3	3 339.4
Current borrowings	792.5	1 034.0
	5 133.8	**4 373.4**

	2012	2011
Carrying value at 1 January	4 373.4	4 011.2
Debt acquired with new subsidiaries	0.4	5.4
Proceeds of borrowings (net)	711.8	331.6
Translation difference and other	48.2	25.2
Statement of Financial Position Total	**5 133.8**	**4 373.4**

Condensed Consolidated Statement of Financial Position

EUR million		31 Dec 12	31 Dec 11
Assets			
Fixed Assets and Other Non-current Investments			
Fixed assets	O	5 319.2	5 224.6
Biological assets	O	221.7	212.6
Emission rights	O	29.6	43.0
Equity accounted investments	O	1 965.1	1 913.1
Available-for-sale: Interest-bearing	I	95.9	82.0
Available-for-sale: Operative	O	450.6	640.2
Non-current loan receivables	I	134.2	125.3
Deferred tax assets	T	143.1	121.9
Other non-current assets	O	23.1	26.6
		8 382.5	**8 389.3**
Current Assets			
Inventories	O	1 457.5	1 528.7
Tax receivables	T	18.5	6.2
Operative receivables	O	1 688.2	1 654.6
Interest-bearing receivables	I	297.0	281.5
Cash and cash equivalents	I	1 849.9	1 138.8
		5 311.1	**4 609.8**
Total Assets		**13 693.6**	**12 999.1**
Equity and Liabilities			
Owners of the Parent		5 784.5	5 872.7
Non-controlling Interests		91.5	87.1
Total Equity		**5 876.0**	**5 959.8**
Non-current Liabilities			
Post-employment benefit provisions	O	461.6	333.1
Other provisions	O	142.0	147.7
Deferred tax liabilities	T	343.8	401.0
Non-current debt	I	4 341.3	3 339.4
Other non-current operative liabilities	O	11.7	31.9
		5 300.4	**4 253.1**
Current Liabilities			
Current portion of non-current debt	I	181.0	250.0
Interest-bearing liabilities	I	611.5	784.0
Operative liabilities	O	1 685.6	1 678.7
Tax liabilities	T	39.1	73.5
		2 517.2	**2 786.2**
Total Liabilities		**7 817.6**	**7 039.3**
Total Equity and Liabilities		**13 693.6**	**12 999.1**

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 December 2010	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**780.0**	**77.9**	**-9.8**	**103.7**	**3 205.5**	**6 202.9**	**51.8**	**6 254.7**
Profit for the period	-	-	-	-	-	-	-	-	-	339.7	339.7	2.5	342.2
OCI before tax	-	-	-	-	-	-240.5	-128.4	-19.4	-70.2	-55.8	-514.3	-	-514.3
Income tax relating to components of OCI	-	-	-	-	-	1.1	33.3	-	-1.5	7.9	40.8	-	40.8
Total Comprehensive Income	-	-	-	-	-	**-239.4**	**-95.1**	**-19.4**	**-71.7**	**291.8**	**-133.8**	**2.5**	**-131.3**
Dividend	-	-	-	-	-	-	-	-	-	-197.2	-197.2	-3.6	-200.8
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	37.2	37.2
Buy-out of non-controlling interest	-	-	-	-	-	-	-	-	-	0.8	0.8	-0.8	-
Balance at 31 Dec 2011	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**540.6**	**-17.2**	**-29.2**	**32.0**	**3 300.9**	**5 872.7**	**87.1**	**5 959.8**
Profit for the period	-	-	-	-	-	-	-	-	-	480.5	480.5	9.9	490.4
OCI before tax	-	-	-	-	-	-177.6	33.6	-4.2	-46.2	-167.3	-361.7	-3.2	-364.9
Income tax relating to components of OCI	-	-	-	-	-	-0.8	-5.7	-	4.1	32.0	29.6	-	29.6
Total Comprehensive Income	-	-	-	-	-	**-178.4**	**27.9**	**-4.2**	**-42.1**	**345.2**	**148.4**	**6.7**	**155.1**
Dividend	-	-	-	-	-	-	-	-	-	-236.6	-236.6	-2.5	-239.1
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Balance at 31 Dec 2012	**1 342.2**	**76.6**	**633.1**	**-10.2**	**3.9**	**362.2**	**10.7**	**-33.4**	**-10.1**	**3 409.5**	**5 784.5**	**91.5**	**5 876.0**

CTA = Cumulative Translation Adjustment
OCI = Other Comprehensive Income

Commitments and Contingencies

EUR million	31 Dec 12	31 Dec 11
On Own Behalf		
Pledges	0.7	1.3
Mortgages	6.0	9.7
On Behalf of Equity Accounted Investments		
Guarantees	652.7	418.4
On Behalf of Others		
Guarantees	4.9	5.0
Other commitments	0.1	-
Other Commitments, Own		
Operating leases, in next 12 months	62.9	66.1
Operating leases, after next 12 months	496.9	525.8
Pension liabilities	0.4	0.4
Other commitments	5.2	5.1
Total	**1 229.8**	**1 031.8**
Pledges	0.7	1.3
Mortgages	6.0	9.7
Guarantees	657.6	423.4
Operating leases	559.8	591.9
Pension liabilities	0.4	0.4
Other commitments	5.3	5.1
Total	**1 229.8**	**1 031.8**

Capital commitments

The Group’s direct capital expenditure contracts, excluding acquisitions, amounted to EUR 71.8 (EUR 213.9) million.

The Group’s share of capital expenditure contracts in equity accounted investments, excluding acquisitions, amounted to EUR 212.8 (EUR 435.7) million of which Stora Enso has guaranteed EUR 189.0 (EUR 189.0) million.

Fair Values of Derivative Financial Instruments

EUR million	31 Dec 12			31 Dec 11
	Positive Fair Values	**Negative Fair Values**	**Net Fair Values**	**Net Fair Values**
Fair Value Hedge Accounted				
Interest rate swaps	7.2	-	7.2	8.5
Cash Flow Hedge Accounted				
Currency forward contracts	1.0	-0.4	0.6	-4.1
Currency options	30.0	-5.6	24.4	-16.1
Commodity contracts	3.8	-17.6	-13.8	-
Net Investment Hedge Accounted				
Currency forward contracts	-	-0.3	-0.3	1.0
Non-qualifying Hedges				
Interest rate swaps	117.4	-72.9	44.5	87.3
Interest rate options	-	-53.1	-53.1	-51.0
Currency forward contracts	9.3	-29.4	-20.1	7.9
Currency options	0.1	-	0.1	-
Commodity contracts	0.3	-0.1	0.2	-2.1
Equity swaps (“TRS”)	2.6	-	2.6	-22.6
Total	**171.7**	**-179.4**	**-7.7**	**8.8**

Nominal Values of Derivative Financial Instruments

EUR million	31 Dec 12	31 Dec 11
Interest Rate Derivatives		
Interest rate swaps		
Maturity under 1 year	-	61.6
Maturity 2–5 years	2 077.4	2 073.3
Maturity 6–10 years	250.0	250.0
	2 327.4	2 384.9
Interest rate options	516.1	522.8
Total	**2 843.5**	**2 907.7**
Foreign Exchange Derivatives		
Forward contracts	1 975.1	1 750.2
Currency options	2 642.2	2 669.4
Total	**4 617.3**	**4 419.6**
Commodity Derivatives		
Commodity contracts	330.7	236.7
Total	**330.7**	**236.7**
Total Return (Equity) Swaps		
Equity swaps (“TRS”)	54.8	73.3
Total	**54.8**	**73.3**

Sales by Segment

EUR million	2012	Q4/12	Q3/12	Q2/12	Q1/12	2011	Q4/11	Q3/11	Q2/11	Q1/11
Printing and Reading	4 839.3	1 194.5	1 226.8	1 190.8	1 227.2	5 022.0	1 283.8	1 283.1	1 242.6	1 212.5
Biomaterials	1 012.4	256.6	267.6	246.5	241.7	1 092.0	255.4	276.4	268.6	291.6
Building and Living	1 684.4	456.2	403.3	443.7	381.2	1 671.1	382.0	414.0	465.4	409.7
Renewable Packaging	3 216.0	797.7	812.2	826.8	779.3	3 194.6	756.6	800.6	829.6	807.8
Other	2 683.5	673.0	644.9	662.2	703.4	2 700.5	643.9	637.4	700.1	719.1
Inter-segment sales	-2 620.8	-651.0	-660.7	-649.6	-659.5	-2 715.3	-640.1	-672.2	-689.2	-713.8
Total	**10 814.8**	**2 727.0**	**2 694.1**	**2 720.4**	**2 673.3**	**10 964.9**	**2 681.6**	**2 739.3**	**2 817.1**	**2 726.9**

Operational EBIT by Segment

EUR million	2012	Q4/12	Q3/12	Q2/12	Q1/12	2011	Q4/11	Q3/11	Q2/11	Q1/11
Printing and Reading	218.1	58.0	51.1	41.7	67.3	285.3	55.6	72.3	72.2	85.2
Biomaterials	82.1	27.7	32.5	14.7	7.2	169.2	27.2	57.3	31.2	53.5
Building and Living	28.8	6.8	0.7	11.5	9.8	62.8	6.0	9.8	35.2	11.8
Renewable Packaging	271.9	54.8	82.9	72.5	61.7	301.3	32.8	73.6	93.9	101.0
Other	17.4	7.7	7.5	0.8	1.4	48.1	23.3	11.4	6.6	6.8
Operational EBIT	**618.3**	**155.0**	**174.7**	**141.2**	**147.4**	**866.7**	**144.9**	**224.4**	**239.1**	**258.3**
Fair valuations and non-operational items*	-58.9	-13.6	-13.4	-33.1	1.2	-27.5	45.6	-45.8	-26.9	-0.4
Non-recurring Items	129.6	109.7	-	44.6	-24.7	-79.9	-21.0	-	-31.7	-27.2
Operating Profit (IFRS)	**689.0**	**251.1**	**161.3**	**152.7**	**123.9**	**759.3**	**169.5**	**178.6**	**180.5**	**230.7**
Net financial items	-207.3	-47.4	-59.1	-66.8	-34.0	-338.4	-59.2	-193.4	-34.6	-51.2
Profit/Loss before Tax	**481.7**	**203.7**	**102.2**	**85.9**	**89.9**	**420.9**	**110.3**	**-14.8**	**145.9**	**179.5**
Income tax expense	8.7	61.8	-20.9	-16.4	-15.8	-78.7	-10.1	-35.1	-9.9	-23.6
Net Profit/Loss	**490.4**	**265.5**	**81.3**	**69.5**	**74.1**	**342.2**	**100.2**	**-49.9**	**136.0**	**155.9**

**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	2012	Q4/12	Q3/12	Q2/12	Q1/12	2011	Q4/11	Q3/11	Q2/11	Q1/11
Printing and Reading	70.2	66.9	-	12.9	-9.6	-29.1	3.7	-	-27.5	-5.3
Biomaterials	-6.7	-6.7	-	-	-	12.6	7.5	-	-1.9	7.0
Building and Living	-	-	-	-	-	-33.5	-4.6	-	-	-28.9
Renewable Packaging	-53.1	-38.0	-	-	-15.1	-8.9	-6.6	-	-2.3	-
Other	119.2	87.5	-	31.7	-	-21.0	-21.0	-	-	-
NRI on Operating Profit	**129.6**	**109.7**	**-**	**44.6**	**-24.7**	**-79.9**	**-21.0**	**-**	**-31.7**	**-27.2**
NRI on Financial items	33.6	10.5	-	9.5	13.6	-138.3	-10.1	-128.2	-	-
NRI on tax	63.3	56.4	-	1.9	5.0	62.2	50.8	-	3.6	7.8
NRI on Net Profit	**226.5**	**176.6**	**-**	**56.0**	**-6.1**	**-156.0**	**19.7**	**-128.2**	**-28.1**	**-19.4**
NRI on Net Profit attributable to:										
Owners of the Parent	220.8	175.1	-	51.8	-6.1	-156.0	19.7	-128.2	-28.1	-19.4
Non-controlling interests	5.7	1.5	-	4.2	-	-	-	-	-	-
	226.5	**176.6**	**-**	**56.0**	**-6.1**	**-156.0**	**19.7**	**-128.2**	**-28.1**	**-19.4**

Fair Valuations and Non-operational Items* by Segment

EUR million	2012	Q4/12	Q3/12	Q2/12	Q1/12	2011	Q4/11	Q3/11	Q2/11	Q1/11
Printing and Reading	-1.3	0.1	-	-0.4	-1.0	-7.9	2.0	-0.3	-9.2	-0.4
Biomaterials	-29.2	6.1	-7.9	-22.8	-4.6	-18.5	2.7	-11.6	-5.4	-4.2
Building and Living	-2.4	-	-0.1	-0.1	-2.2	-1.8	-	-	-1.8	-
Renewable Packaging	-0.7	-	-	-	-0.7	-6.6	-	-	-6.6	-
Other	-25.3	-19.8	-5.4	-9.8	9.7	7.3	40.9	-33.9	-3.9	4.2
Fair Valuations and Non-operational Items on Operating Profit	**-58.9**	**-13.6**	**-13.4**	**-33.1**	**1.2**	**-27.5**	**45.6**	**-45.8**	**-26.9**	**-0.4**

**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	2012	Q4/12	Q3/12	Q2/12	Q1/12	2011	Q4/11	Q3/11	Q2/11	Q1/11
Printing and Reading	287.0	125.0	51.1	54.2	56.7	248.3	61.3	72.0	35.5	79.5
Biomaterials	46.2	27.1	24.6	-8.1	2.6	163.3	37.4	45.7	23.9	56.3
Building and Living	26.4	6.8	0.6	11.4	7.6	27.5	1.4	9.8	33.4	-17.1
Renewable Packaging	218.1	16.8	82.9	72.5	45.9	285.8	26.2	73.6	85.0	101.0
Other	111.3	75.4	2.1	22.7	11.1	34.4	43.2	-22.5	2.7	11.0
Operating Profit (IFRS)	**689.0**	**251.1**	**161.3**	**152.7**	**123.9**	**759.3**	**169.5**	**178.6**	**180.5**	**230.7**
Net financial items	-207.3	-47.4	-59.1	-66.8	-34.0	-338.4	-59.2	-193.4	-34.6	-51.2
Profit/Loss before Tax	**481.7**	**203.7**	**102.2**	**85.9**	**89.9**	**420.9**	**110.3**	**-14.8**	**145.9**	**179.5**
Income tax expense	8.7	61.8	-20.9	-16.4	-15.8	-78.7	-10.1	-35.1	-9.9	-23.6
Net Profit/Loss	**490.4**	**265.5**	**81.3**	**69.5**	**74.1**	**342.2**	**100.2**	**-49.9**	**136.0**	**155.9**

Key Exchange Rates for the Euro

One Euro is	Closing Rate		Average Rate	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
SEK	8.5820	8.9120	8.7067	9.0307
USD	1.3194	1.2939	1.2856	1.3922
GBP	0.8161	0.8353	0.8111	0.8678

Transaction Risk and Hedges in Main Currencies as at 31 December 2012

EUR million	EUR	USD	SEK	GBP	Other	Total
Sales during 2012	6 250	1 540	1 240	650	1 135	10 815
Costs during 2012	-5 490	-580	-2 330	-120	-1 182	-9 702
Net Operating Flow	**760**	**960**	**-1 090**	**530**	**-47**	**1 113**
Estimated annual net operating cash flow exposure		1 030	-930	600		
Transaction hedges as at 31 Dec 2012		-530	470	-270		
Hedging Percentage as at 31 Dec 2012 for the Next 12 Months		**51%**	**51%**	**45%**		

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

Changes in Exchange Rates on Operational EBIT

Operational EBIT: Currency strengthening of + 10%	EUR million
USD	103
SEK	-93
GBP	60

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.

Stora Enso Shares

Trading Volume	Helsinki		Stockholm	
	A share	R share	A share	R share
October	71 233	77 851 348	84 109	23 253 667
November	53 346	54 496 048	159 593	17 501 573
December	84 849	44 417 489	178 833	22 433 777
Total	209 428	176 764 885	422 535	63 189 017

Closing Price	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
October	5.58	4.87	49.50	41.92
November	5.55	5.04	48.97	43.86
December	5.70	5.25	49.50	44.90

Calculation of Key Figures

Operational return on capital employed, operational ROCE (%)	100 x	$\frac{\text{Operational EBIT}}{\text{Capital employed}^{1)\,2)}}$
Operational return on operating capital, operational ROOC (%)	100 x	$\frac{\text{Operational EBIT}}{\text{Operating capital}^{1)\,2)}}$
Return on equity, ROE (%)	100 x	$\frac{\text{Profit before tax and non-controlling items – taxes}}{\text{Total equity}^{2)}}$
Equity ratio (%)	100 x	$\frac{\text{Total equity}}{\text{Total assets}}$
Interest-bearing net liabilities		Interest-bearing liabilities – interest-bearing assets
Debt/equity ratio		$\frac{\text{Interest-bearing net liabilities}}{\text{Equity}^{3)}}$
CEPS		$\frac{\text{Net profit/loss for the period}^{3)}\text{ – fixed asset depreciation and impairment}}{\text{Average number of shares}}$
EPS		$\frac{\text{Net profit/loss for the period}^{3)}}{\text{Average number of shares}}$
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		$\frac{\text{Interest-bearing net liabilities}}{\text{Operational EBITDA}}$
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

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Stora Enso's first quarter 2013 results will be published on 23 April 2013 at 13.00 EET.
Annual General Meeting on 23 April 2013 at 16.00 EET.

PRESS CONFERENCE IN HELSINKI

Time:	14.00 local time today
Location:	Marina Congress Center, Helsinki
Address:	Katajanokanlaituri 6
Presentations:	Jouko Karvinen, CEO (Finnish)
	Karl-Henrik Sundström, CFO (English)

Questions can be addressed to Jouko Karvinen and Karl-Henrik Sundström after the presentation.

ANALYST CONFERENCE CALL
CEO Jouko Karvinen, CFO Karl-Henrik Sundström and SVP Investor Relations Ulla Paajanen-Sainio will be hosting a combined conference call and webcast today at 16.00 Finnish time (15.00 CET, 14.00 UK time, 09.00 US Eastern time).

If you wish to participate, please dial:

Continental Europe and the UK	+44(0)20 7784 1036
Finland	+358(0)9 6937 9543
Sweden	+46(0)8 5051 3793

USA	+1646 254 3361
Access code:	6160433

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.

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