



Improving productivity

through mill specialisation



The vision of Stora Enso Fine Paper is to be the leading fine paper supplier. It is well positioned to compete in the growing fine paper market thanks to cost-efficient production, a comprehensive product portfolio and product quality.

In office paper the aim is to meet the rapidly changing and highly demanding requirements of modern offices around the world, whereas graphic papers are tailored to the high-quality printing needs of printers and publishers globally.

Asset restructuring and acquisitions

To improve performance and maintain its leading position, Stora Enso is currently implementing an Asset Restructuring Programme in office papers. Participation in industry consolidation is also essential as the fine paper sector remains quite fragmented, which may lead to instability in the markets. Growth must go hand in

hand with responsible and sustainable business practices.

Higher productivity through mill specialisation

The aim of the Asset Restructuring Programme is to enhance productivity through mill specialisation and production streamlining. Asset optimisation initiatives include the Veitsiluoto Mill specialising in cut-size document printing products. PM1 at the Nymölla Mill, which produces MultiCopy document printing paper, will be upgraded to enhance quality and efficiency.

These measures will ensure efficient production and the ability to supply customers with quality products in standard and premium grades.

Product development in co-operation with customers

To offer comprehensive printing solutions and not just a wide product range, Stora Enso Fine Paper has built up an extensive research and development network comprising customers, suppliers and external partners such as universities and institutes. The objective is to improve product printability and runnability, manufacturing cost competitiveness and environmental sustainability.

Growing market

The main influences on business are advertising expenditure and office technology development, both of which are dependent on the strength



Veitsiluoto Mill – a northern success

The Veitsiluoto Mill, the world's northernmost paper mill, has two profitable fine paper machines. The mill produces a significant proportion of Europe's office paper. The already good asset quality is being enhanced by a new investment plan aimed at improving product competitiveness and quality in the expanding office paper market.

of the economy and GDP growth.

The fine paper market is expected to grow. Annual global growth in office papers demand over the next few years is estimated at 2%. The fastest growth is forecast for China and other Asia and Western Europe. In coated papers, annual growth in global demand is expected to be 4.4%, the fastest growth areas being Western Europe, China and other Asian countries.

Office paper markets are expected to recover slowly, but the graphic paper market is suffering from over-supply, resulting in price pressure in Europe. In the USA the graphic paper outlook is more promising. ■

Key figures*	2000	2001	2002	% of the Group
Sales, EUR million	3 473.2	3 617.5	3 108.0	22.7
Operating profit, EUR million	688.8	394.5	292.6	31.6
% of sales	19.8	10.9	9.4	
Operating capital, EUR million	4 507.1	4 161.1	3 483.3	26.2
Return on operating capital, %	20.3	9.1	8.4	
Capital expenditure, EUR million	116.6	193.7	131.6	15.0
Average number of employees	9 562	10 607	9 288	21.2
Production curtailments, tonnes	N/A	670 000	250 000	

*excluding goodwill

1 000 tonnes	Deliveries 2000	Deliveries 2001	Deliveries 2002	Capacity 2003
Graphic (coated) paper	1 917	1 918	1 826	2 215
Office (uncoated) paper	1 234	1 273	1 330	1 520
Total	3 151	3 191	3 156	3 735

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