



YEAR-END REPORT 2012

2013-02-08 | Per Lindberg, CEO and President, and Susanne Lithander, CFO

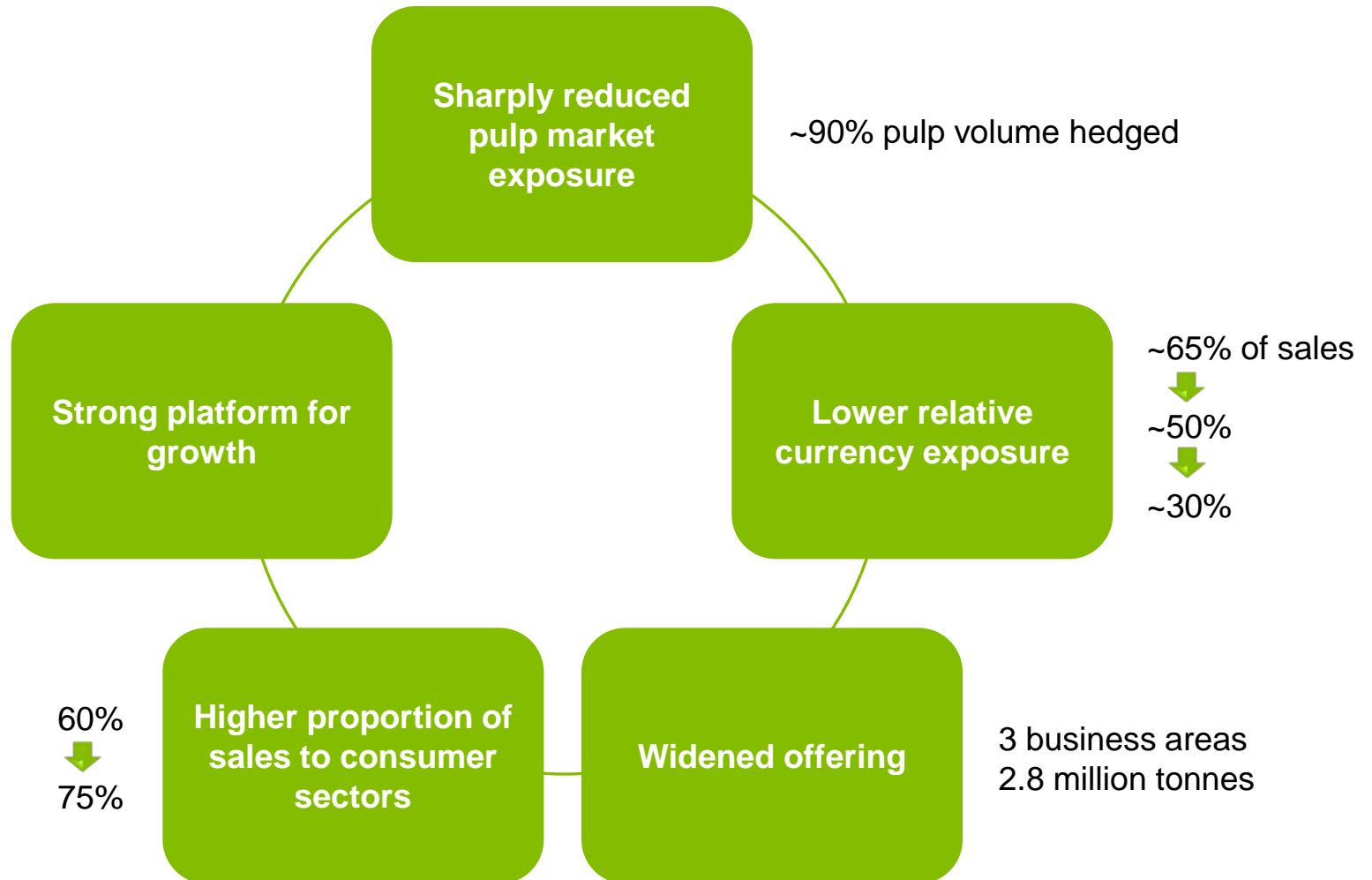


Q4 2012 HIGHLIGHTS

- Major events
 - Acquisition of Korsnäs completed
 - Rights issue of SEK ~2bn carried out
- Non-recurring and seasonal costs impacted negatively
 - Adjusted operating profit of SEK 127 million after non-recurring costs
 - Underlying result on par with Q3 2012
 - SEK 25 million in reported operating profit
- Net debt/equity ratio of 0.85
- Seasonally normal order situation
- ~2% higher prices in local prices for packaging materials vs. Q3 2012
- Proposed dividend of SEK 2.00 per share



2012 ACHIEVEMENTS





STATUS INTEGRATION

Unit	Integration	Annual synergies
BillerudKorsnäs Finland	Successfully completed	MSEK +30 as from end of 2013
BillerudKorsnäs	Integration program on track	MSEK 300 as from end of 2015



THREE BUSINESS AREAS

PACKAGING PAPER *Kraft and sack paper, pulp*



Former business area Packaging & Speciality Paper

CONSUMER BOARD *Liquid packaging board, cartonboard and Cup Stock*



New business area from 29 Nov 2012. Liquid packaging board and cartonboard from the Korsnäs acquisition as well as liquid packaging board and Cup Stock that previously were part of business area Containerboard

CONTAINERBOARD *Fluting and liner*



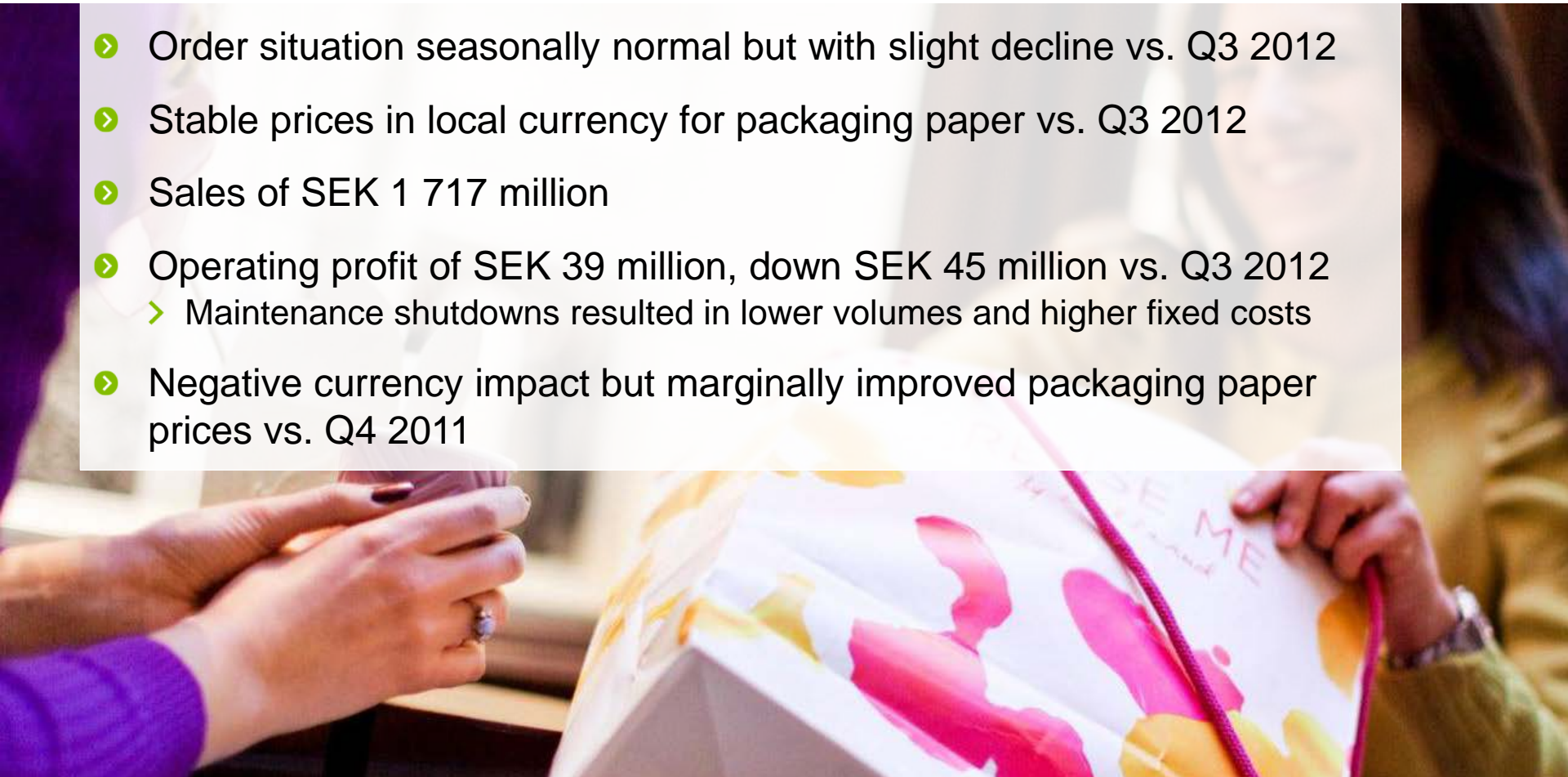
Former business area Packaging Boards. As of 29 Nov 2012, White Top Liner from Korsnäs is included while liquid packaging board and Cup Stock are excluded



PACKAGING PAPER

Q4 2012

- Order situation seasonally normal but with slight decline vs. Q3 2012
- Stable prices in local currency for packaging paper vs. Q3 2012
- Sales of SEK 1 717 million
- Operating profit of SEK 39 million, down SEK 45 million vs. Q3 2012
 - Maintenance shutdowns resulted in lower volumes and higher fixed costs
- Negative currency impact but marginally improved packaging paper prices vs. Q4 2011





CONSUMER BOARD

Q4 2012

- New business area from 29 November 2012
- Stable order situation at normal levels
- Stable prices in local currency vs. Q3 2012
- Sales of SEK 508 million
- Adjusted operating profit of SEK 71 million
 - SEK 36 million in reduction in surplus value relating to inventory of finished products acquired
 - Reported operating profit of SEK 35 million



CONTAINERBOARD

Q4 2012

- Normal order situation that weakened at end of Q4 due to seasonality
- Improved prices in local currency vs. Q3 2012
- Sales of SEK 623 million
- Operating profit of SEK 23 million, down SEK 50 million vs. Q3 2012
 - Increased costs and lower volumes due to maintenance shutdown
- Negative impact from currencies and deterioration of prices vs. Q4 2011



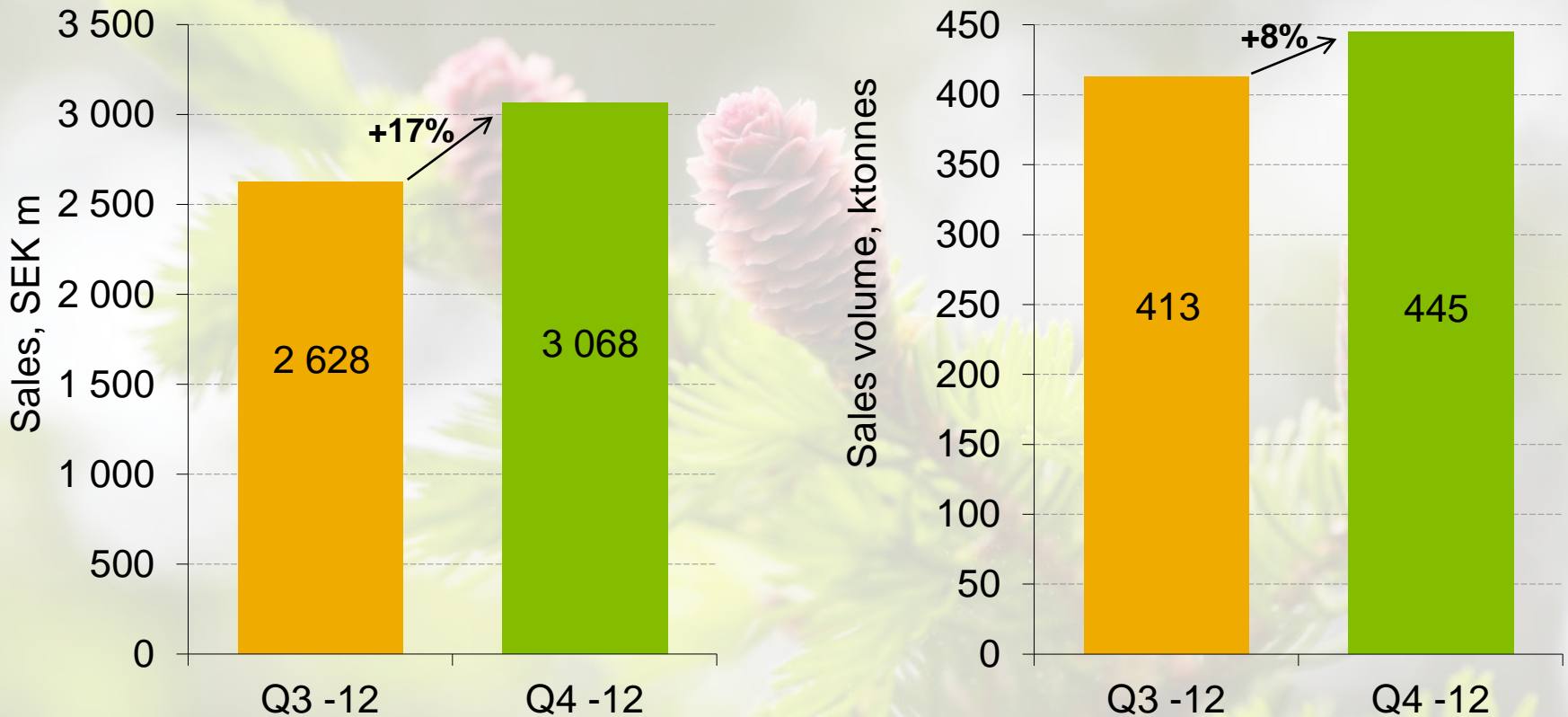


FINANCIAL INFORMATION





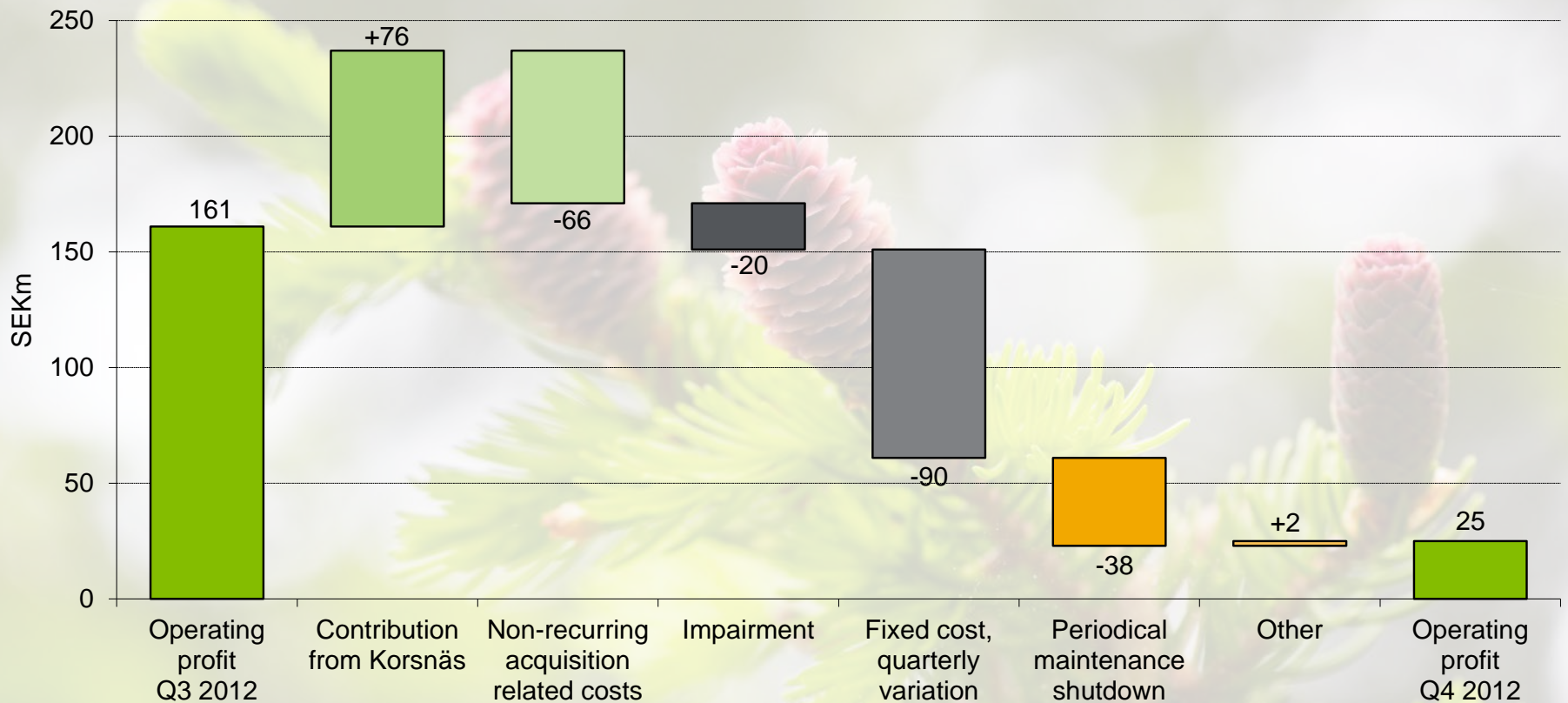
SALES & VOLUMES Q4 2012





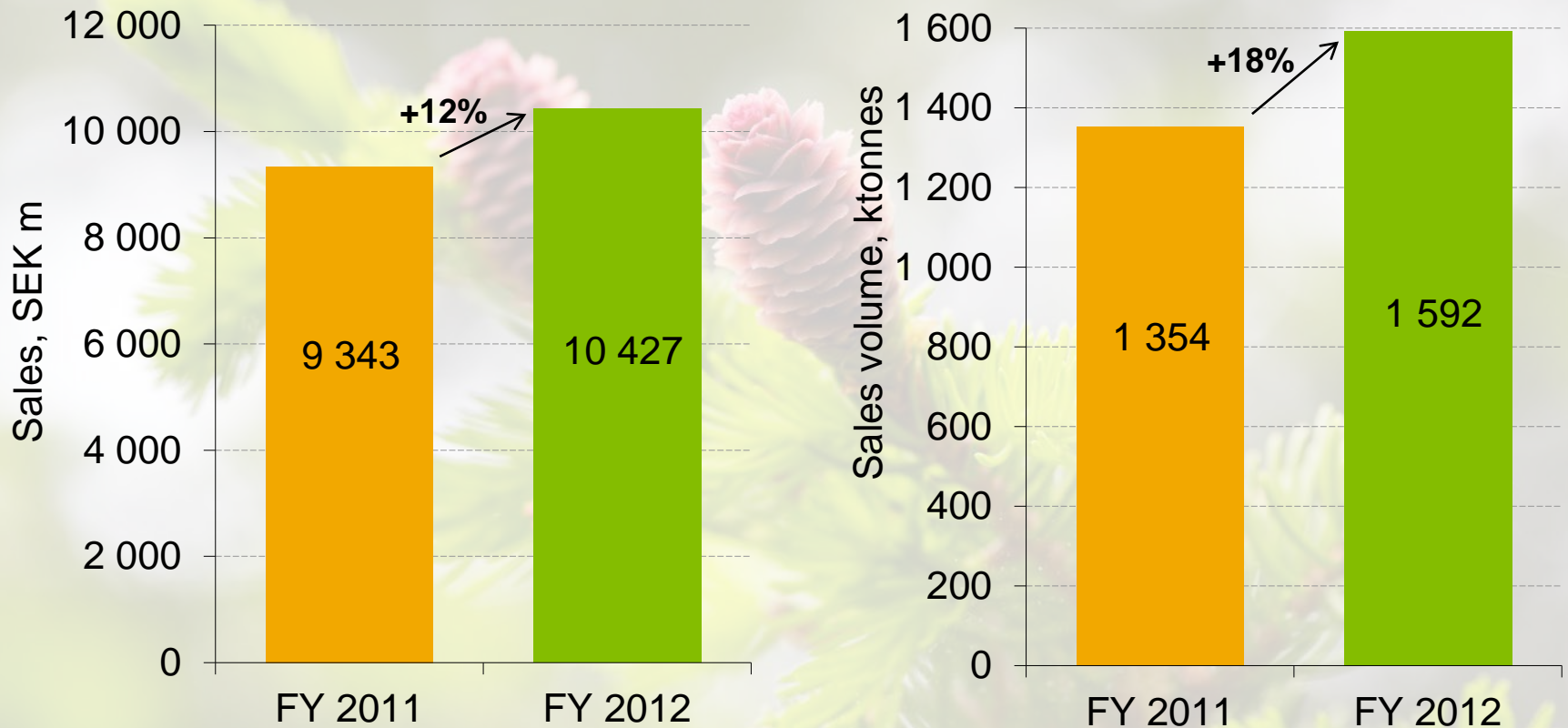
OPERATING PROFIT BRIDGE Q4 2012 VS. Q3 2012

COMPARABLE UNITS



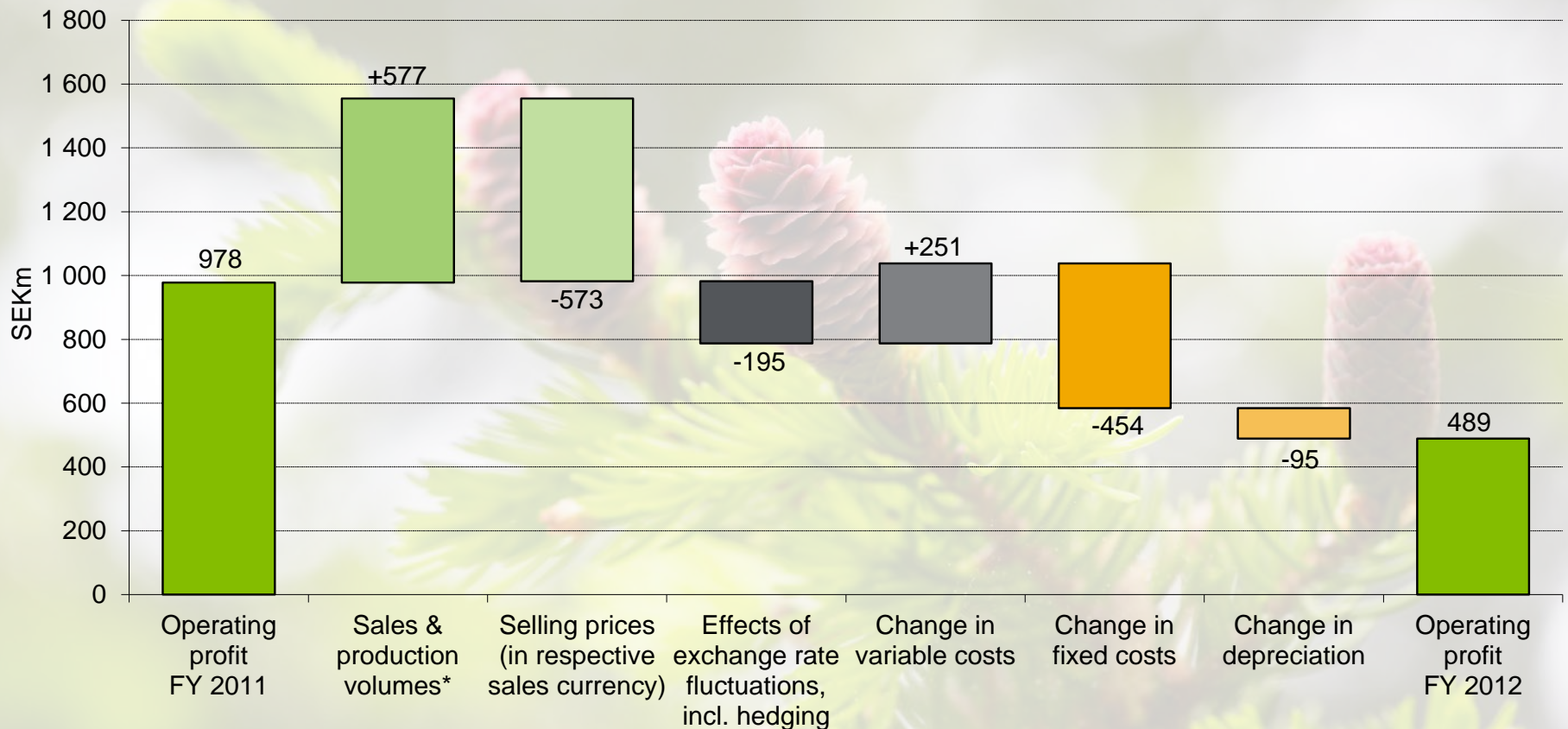


SALES & VOLUMES FY 2012





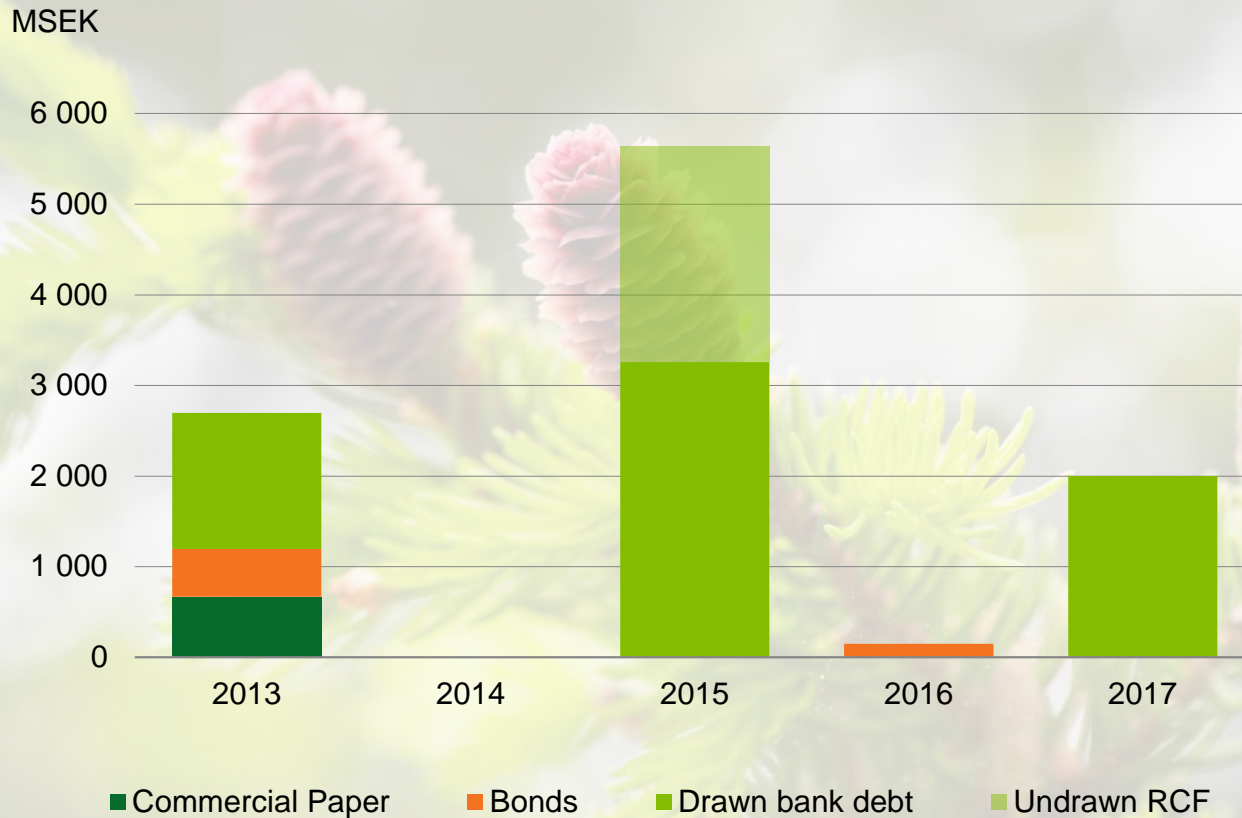
OPERATING PROFIT BRIDGE FY 2012 VS. FY 2011



*Including product mix.



DEBT MATURITY PROFILE





CASH FLOW

SEKm	FY 2012	FY 2011
Operating surplus, etc	1 282	1 604
Change in working capital, etc.	124	-113
Net financial items, taxes, etc.	-414	-219
Cash flow from operating activities	992	1 272
Current net investments	-952	-510
Operating cash flow	40	762



NEW LONG-TERM FINANCIAL TARGETS

	Target	2012	2008-2012
Operating margin	> 10%*	5%	7%
Return on capital employed	> 13%*	8%	12%
Net debt/equity	<0.9	0.85	0.42
Dividend policy**	50% of net profit*	61%**	50%**

*Over a business cycle. **Proposed dividend of SEK 2.00 per share for 2012.



OUTLOOK



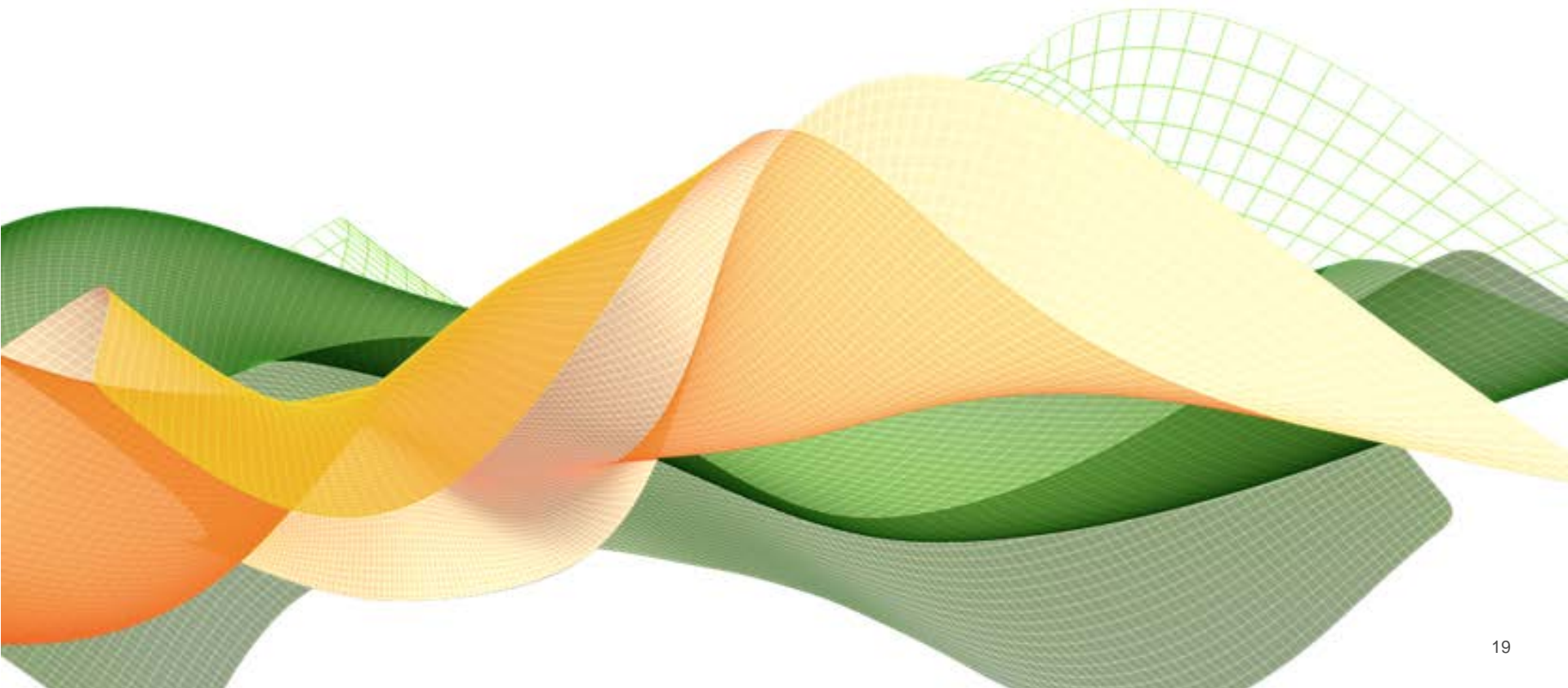


OUTLOOK

- ▶ The order situation for the majority of products in the packaging materials segments is expected to remain at normal seasonal levels through the first quarter of 2013.
- ▶ Prices in local currency for packaging materials are expected to remain stable in the first quarter of 2013.
- ▶ Wood prices in 2013 are expected to be lower than in 2012.
- ▶ It is estimated that non-recurring costs of SEK 48 million, arising from a reduction in the surplus value in the inventory of finished products acquired, will be charged to earnings in the first quarter of 2013.



Q&A





BILLERUDKORSNÄS

