



BILLERUDKORSNÄS

YEAR-END REPORT JANUARY-DECEMBER 2012



SEKm	Q4 2012	Q3 2012	Δ, %	Q4 2011	Δ, %	Jan-Dec 2012	Jan-Dec 2011	Δ, %
Net sales	3 068	2 628	17%	2 086	47%	10 427	9 343	12%
EBITDA	269	323	-17%	225	20%	1 198	1 592	-25%
Operating profit/loss	25	161	-84%	75	-67%	489	978	-50%
Operating margin, %	1%	6%	-5	4%	-3	5%	10%	-5
Profit/Loss before tax	-31	138	-122%	62	-150%	402	933	-57%
Net profit/loss for the period	361	101	257%	45	702%	677	683	-1%
Earnings per share, SEK	2.51	0.80	214%	0.35	617%	5.14	5.34	-4%

+17%

Net sales growth

SEK 25m

Operating profit

SEK 127m

Adjusted
operating profit

SEK 2.51

Earnings per share

Fourth quarter 2012

- Net sales amounted to SEK 3 068 million, compared with SEK 2 628 million in the previous quarter. The increase was due to the Korsnäs acquisition.
- Operating profit totalled SEK 25 million. The decline of SEK 136 million from the preceding quarter is mainly attributable to non-recurring and seasonal factors.
- Results for the quarter were charged with non-recurring costs of SEK 102 million. Adjusted to reflect these non-recurring costs, operating profit totalled SEK 127 million.
- Prices in local currency for packaging materials were improved by just below 2% than in the previous quarter due to implementation of earlier announced price increases.
- The acquisition of Korsnäs was completed on 29 November 2012 and a preferential rights issue valued at approximately SEK 2 billion was carried out.

Full year 2012 compared with the same period in 2011

- Net sales amounted to SEK 10 427 million, a rise of 12%.
- Operating profit fell to SEK 489 million, mainly as a result of lower prices in local currency and a less favourable currency situation.
- In all, non-recurring costs amounted to SEK 170 million (10).

Proposed dividend

- The Board of Directors proposes a dividend of SEK 2.00 per share for 2012.

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.

BillerudKorsnäs' President and CEO Per Lindberg and CFO Susanne Lithander will present the year-end report at a press and analyst conference at 14.30 CET on Friday 8 February 2013.
Venue: Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

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The information in this report is such that BillerudKorsnäs AB (publ) is obliged to disclose under the Swedish Securities Market Act and was submitted for publication at 12.30 CET on 8 February 2013.



17%

Net sales growth
Q4 2012 v. Q3 2012

1%

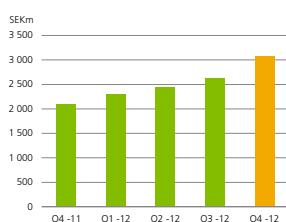
Operating margin Q4 2012



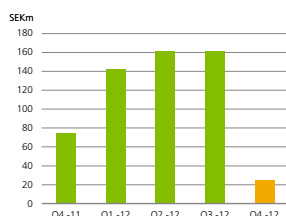
Per Lindberg
President and CEO, BillerudKorsnäs

Prices in local currency were improved just below 2% than in the previous quarter.

NET SALES



OPERATING PROFIT



COMMENTS BY CEO PER LINDBERG

EVENTFUL QUARTER ROUNDS OFF A HISTORIC YEAR

“With the finalization of the historic combination between Billerud and Korsnäs, the fourth quarter was an unusually eventful one. We also completed the integration of our paper machines in Finland during the quarter. The integration process at BillerudKorsnäs progresses as planned, and from the next quarter on we will start to report the benefits of our synergies. The synergies for the two acquisitions are estimated at approximately SEK 330 million annually, with full impact from the end of 2015.

Our preferential rights issue was oversubscribed, and we greatly value the firm support we have received from our shareholders. The proceeds of the issue, approximately SEK 2 billion, strengthen our financial position and create scope for us to capture future business opportunities.

While our quarterly results have been charged with a number of extra costs, the underlying operational results for the Group are still stable. Most importantly of all, we remain highly optimistic regarding the future opportunities open to BillerudKorsnäs.”

MARKET

BillerudKorsnäs offers the global packaging market innovative and sustainable products and services. The Group has a leading position in primary fibre-based packaging paper and board. The packaging market shows further positive long-term development primarily due to increased globalisation, greater prosperity and changes in consumption patterns. In addition to packaging materials, BillerudKorsnäs sells long-fibre pulp, Northern Bleached Softwood Kraft (NBSK), which is not used in its own production.

Order situation for BillerudKorsnäs’ packaging materials segments were normal for the season. The weakening that took place at the end of the quarter was seasonal. Prices in local currency for Packaging Paper and Containerboard business areas were on average improved just below 2% during the quarter than in the previous quarter, owing to implementation of price increases announced earlier. The Consumer Board business area was established on 29 November 2012 and is thus not included in the quarter-on-quarter price comparison. Further market information per business area is provided on pages 4-6.

SALES AND RESULTS

FOURTH QUARTER COMPARED WITH THIRD QUARTER

Net sales amounted to SEK 3 068 million, a rise of 17% from the third quarter. The acquisition of Korsnäs, consolidated with effect from 29 November 2012, accounted for SEK 657 million of net sales in the quarter.

Operating profit amounted to SEK 25 million, a decrease of SEK 136 million. Adjusted to reflect acquisition-related non-recurring costs of SEK 82 million (16) and a goodwill impairment charge of SEK 20 million (0), operating profit totalled SEK 127 million (177). The acquisition-related non-recurring costs consisted of consultation (SEK 29 million), integration (SEK 17 million) and reduction in the surplus value of the inventory of finished products acquired (SEK 36 million). The Korsnäs business accounted for SEK 76 million of the operating profit for the quarter. The change in operating profit is shown in the table below. An operating margin of 1% (6) was recorded.

CHANGE IN OPERATING PROFIT COMPARED WITH PREVIOUS QUARTER

	Q1 -12 /Q4 -11	Q2 -12 /Q1 -12	Q3 -12 /Q2 -12	Q4 -12 /Q3 -12
SEKm				
Sales and production volumes, incl. product mix	69	57	-	255
Selling prices (in respective sales currency)	-56	-4	2	7
Change in variable costs	37	46	18	-11
Change in fixed costs	41	-94	48	-330
Change in depreciation	-	-3	-9	-82
Effects of exchange rate fluctuations, incl. hedging*	-24	17	-59	25
Total change in operating profit/loss	67	19	-	-136

*Effects of exchange rate fluctuations totalling SEK 25 million comprise the following components: change in spot rates SEK 6 million, currency hedging SEK -67 million and currency effects from revaluation of trade receivables and payments from customers SEK 86 million.



The decline in operating profit is attributable primarily to higher non-recurring and seasonal costs.

The cost of periodic maintenance shutdowns was charged to fourth-quarter results in the amount of SEK 119 million (81), as a result of lower volumes and higher fixed costs.

Higher sales and production volumes had a positive effect of SEK 255 million on operating profit. The increase is attributable to the acquisition of Korsnäs, amply compensating for the loss of volume arising from the periodic maintenance shutdowns during the quarter. However, a reduction in the surplus value of the inventory of finished products acquired, consisting of the portion disposed of after the acquisition, had a negative impact of SEK 36 million on operating profit.

Improved selling prices in local currency provided a positive contribution of SEK 7 million. Prices in local currency for BillerudKorsnäs' packaging materials rose by just under 2% on average compared with the previous quarter, as a result of implementation of price rises announced earlier.

Variable costs increased by SEK 11 million. Higher electricity prices (SEK -13 million) and higher costs for other energy such as fuel oil and bark (SEK -11 million) negatively affected operating profit, while lower wood prices had a positive effect of SEK 13 million.

Fixed costs increased by SEK 330 million. Fixed costs in the fourth quarter are generally higher, partly because of higher running costs for maintenance, as well as seasonally higher personnel costs, which together totalled approximately SEK 90 million. In addition, the acquisition of Korsnäs resulted in higher fixed costs, as the business was not part of the Group in the preceding quarter. Non-recurring costs for consultation and integration increased by approximately SEK 30 million.

The rise of SEK 82 million in depreciation/amortisation charges relates mainly to the acquisition of Korsnäs, but also included a goodwill impairment charge of approximately SEK 20 million regarding the business of Tenova Bioplastics.

CHANGE IN OPERATING PROFIT FOR COMPARABLE UNITS

SEKm	Q4 -12 / Q3 -12
Non-recurring acquisition related costs	-66
Impairment	-20
Fixed cost, quarterly variation	-90
Periodical maintenance shutdown	-38
Contribution from Korsnäs	76
Other	2
Total change in operating profit/loss	-136

Net financial items totalled SEK -56 million (-23). The change consisted of a sharp rise in the net interest-bearing debt, arising from financing of the Korsnäs acquisition. Profit before tax was SEK -31 million. Estimated tax was SEK 392 million. The lowering of the tax rate in Sweden from 26.3% to 22% had a positive impact of approximately SEK 500 million. Net profit totalled SEK 361 million.

Net sales growth of 47%

FOURTH QUARTER COMPARED WITH THE SAME PERIOD IN 2011

Net sales were 47% higher than in the same period in the preceding year.

Operating profit fell by SEK 50 million

Operating profit fell by SEK 50 million (see table on page 4). The rise in fixed costs, depreciation/amortisation charges and volumes arose mainly through the acquisition of Korsnäs and the Finnish operation, since these businesses were not part of the Group in the same period in 2011. An operating margin of 1% (4) was recorded.

Net sales growth of 12%

FULL YEAR 2012 COMPARED WITH THE SAME PERIOD IN 2011

Net sales amounted to SEK 10 427 million, an increase of 12%, as a result of higher volumes.

Operating profit was reduced by 50% to SEK 489 million, mainly because of lower prices in local currency and a less favourable currency situation.

Operating profit was reduced by 50% to SEK 489 million. The decline was mainly due to the result of lower prices in local currency and a less favourable currency situation. Higher sales volumes, deriving above all from the two acquisitions made during 2012, contributed SEK 577 million. Variable costs fell by SEK 251 million, of which lower wood prices accounted for SEK 207 million and lower electricity prices for SEK 35 million. The increase of SEK 454 million in fixed costs was mainly due to the acquisitions. This was partly because

the businesses acquired were not part of the Group in 2011 and partly because of acquisition-related non-recurring costs for consultation and integration (SEK 114 million). An operating margin of 5% (10) was recorded.

CHANGE IN OPERATING PROFIT COMPARED WITH THE SAME PERIOD IN THE PREVIOUS YEAR

SEKm	Q1 -12 /Q1 -11	Q2 -12 /Q2 -11	Q3 -12 /Q3 -11	Q4 -12 /Q4 -11	Jan-Dec -12 /Jan-Dec -11
Sales and production volumes, incl. product mix	-34	95	118	398	577
Selling prices (in respective sales currency)	-149	-216	-171	-37	-573
Change in variable costs	29	76	68	78	251
Change in fixed costs	-9	-50	-62	-333	-454
Change in depreciation	3	-2	-2	-94	-95
Effects of exchange rate fluctuations, incl. hedging*	-30	-17	-86	-62	-195
Total change in operating profit/loss	-190	-114	-135	-50	-489

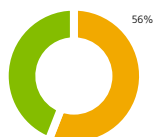
*Effects of exchange rate fluctuations totalling SEK -195 million comprise the following components: change in spot rates SEK -61 million, currency hedging SEK -48 million and currency effects from revaluation of trade receivables and payments from customers SEK -86 million.

Net financial items totalled SEK -87 million (-45). Profit before tax was SEK 402 million and estimated tax SEK 275 million. The lowering of the tax rate in Sweden from 26.3% to 22% had a positive impact of approximately SEK 500 million. Net profit totalled SEK 677 million.

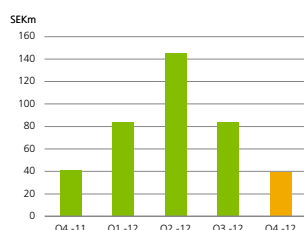
PACKAGING PAPER BUSINESS AREA

Packaging Paper offers premium-quality kraft and sack paper, as well as functional solutions for many applications, including packaging for foodstuffs, industrial purposes, medical applications and carrier bags, for customers with demanding requirements. The business area also sells any surplus of pulp that BillerudKorsnäs does not use in its own production.¹ The business area's largest markets are Europe and Asia.

SHARE OF GROUP'S NET SALES Q4 2012



OPERATING PROFIT



SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Net sales	1 717	1 925	1 357	6 837	6 045
Other income	7	-	-	7	-
Operating expenses, other	-1 570	-1 721	-1 211	-6 043	-5 099
Depreciation and impairment	-115	-120	-105	-449	-432
Operating profit/loss	39	84	41	352	514
Operating margin, %	2%	4%	3%	5%	9%
Sales volumes, ktonnes	254	283	200	1 011	850
<i>whereof packaging paper</i>	<i>172</i>	<i>202</i>	<i>112</i>	<i>670</i>	<i>507</i>

At the start of the fourth quarter 2012, the Packaging & Speciality Paper business area was renamed Packaging Paper. The Finnish business acquired from UPM has been consolidated since 1 June 2012, and is included in Packaging Paper.

FOURTH QUARTER

Operating profit is recorded at SEK 39 million, a decrease of SEK 45 million compared with the previous quarter. The maintenance shutdowns that took place during the quarter impacted negatively on the operating profit for the business area in the form of lower volumes and higher fixed costs.

Compared with the same period in 2011, operating profit fell by SEK 2 million. A less favourable currency situation was partly offset by higher prices for packaging paper in local

¹ Historically, BillerudKorsnäs has sold approximately 325 ktonnes of market pulp annually. The Packaging Paper business area also buys pulp for its paper production in Finland and the UK. As a result, the business area's net exposure in market pulp is estimated to average approximately 30 ktonnes annually.

currency. The Finnish business acquired during the year accounted for the bulk of the volume increase. Lower variable costs impacted favourably on operating profit.

FULL YEAR

Operating profit fell by SEK 162 million to SEK 352 million, compared with 2011. The decline arose above all through lower prices for both packaging paper and pulp. Price increases in local currency for packaging paper were implemented from the beginning of the second quarter of 2012. The volume increase, mainly arising from the acquisition in Finland and lower variable costs, impacted favourably on operating profit.

MARKET DEVELOPMENT

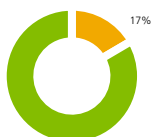
The order situation for kraft and sack paper declined slightly during the quarter, compared with the third quarter, and was normal for the season. This situation still prevailed at the end of the quarter. Prices in local currency were stable, compared with the preceding quarter.

The market for NBSK pulp improved during the quarter, compared with the previous quarter. Prices in Europe rose to approximately USD 810 per tonne at the end of the quarter, compared with approximately USD 760 per tonne at the beginning of the quarter. A further price increase to USD 840 per tonne has been announced for January.

CONSUMER BOARD BUSINESS AREA

The Consumer Board business area develops and markets high-quality board for packaging for beverages, yoghourts, refrigerated and frozen food and other consumer products. Smart solutions in function, design and material selection add further value for the customer. Europe is the largest market.

SHARE OF GROUP'S NET SALES Q4 2012



OPERATING PROFIT



SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Net sales	508	-	-	508	-
Other income	2	-	-	2	-
Operating expenses, other	-416	-	-	-416	-
Depreciation and impairment	-59	-	-	-59	-
Operating profit/loss	35	-	-	35	-
Operating margin, %	7%	-	-	7%	-
Sales volumes, ktonnes	71	-	-	71	-

Consumer Board has been a new business area in the Group since 29 November 2012. The business area includes the liquid packaging board and cartonboard business that fell within the Korsnäs acquisition, together with the sales of Cup Stock and liquid packaging board products that were previously part of the Containerboard business area (formerly Packaging Boards).

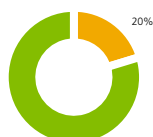
FOURTH QUARTER / FULL YEAR

Operating profit amounted to SEK 35 million in both the fourth quarter and the full year 2012, as the business area was established on 29 November 2012. Adjusted to reflect the reduction in surplus value of SEK 36 million in the inventory of finished products acquired, operating profit totalled SEK 71 million.

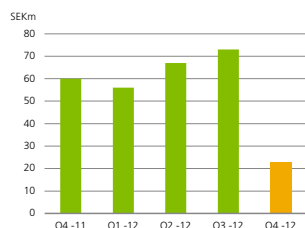
MARKET DEVELOPMENT

The order situation in the fourth quarter was stable, compared with the preceding quarter. Consumption of liquid packaging board and cartonboard was normal and demand stable. Prices in local currency were stable, compared with the preceding quarter. Customers in cartonboard were somewhat hesitant towards the end of the quarter, but the order situation for the season was satisfactory.

SHARE OF GROUP'S NET SALES Q4 2012



OPERATING PROFIT



SEK 18 million earnings impact for the quarter

CONTAINERBOARD BUSINESS AREA

The Containerboard business area offers corrugated board raw material that provides light but strong packaging for demanding transportation uses and primary packaging. An important part of the offering is consultation for packaging optimisation and efficient logistical flows.

SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Net sales	623	634	644	2 594	2 772
Other income	8	-	-	8	-
Operating expenses, other	-562	-518	-542	-2 208	-2 238
Depreciation and impairment	-46	-43	-42	-175	-164
Operating profit/loss	23	73	60	219	370
Operating margin, %	4%	12%	9%	8%	13%
Sales volumes, ktonnes	120	130	115	510	504

At the start of the fourth quarter 2012, the Packaging Boards business area was renamed Containerboard. On 29 November 2012, the business area incorporated the White Top Liner business as a part of the Korsnäs acquisition. At the same time, sales of Cup Stock and liquid packaging board products were moved to the Consumer Board business area.

FOURTH QUARTER

Operating profit amounted to SEK 23 million, a decrease of SEK 50 million compared with the previous quarter. The decrease is explained by increased costs and lower sales volumes due to the maintenance shutdown at Gruvön, where a large part of the business area's production takes place. The business area has to bear approximately 55% of the total costs for a periodic maintenance shutdown at Gruvön. However, improved prices impacted favourably on operating profit.

Compared with the same period in 2011 operating profit fell by SEK 37 million. This was mainly due to a less favourable currency situation, plus lower average prices in local currency, although this was partly offset by a more favourable customer and geographical mix. The volume increase arose principally through the acquisition of Korsnäs.

FULL YEAR

Operating profit fell by SEK 151 million to SEK 219 million compared with 2011. Less favourable prices were partly compensated by higher volumes and lower variable costs.

MARKET DEVELOPMENT

The order situation in the quarter was normal. The weakening that took place at the end of the quarter was seasonal. Prices in local currency improved during the quarter through the price increase for primary fibre-based fluting and liner that was announced to take effect on 1 September 2012.

CURRENCY HEDGING

During 2012, net flows were hedged at EUR/SEK 9.14 (9.28), USD/SEK 6.78 (6.92) and GBP/SEK 10.72 (10.71). Currency hedging had an overall earnings impact of SEK 18 million (44) for the fourth quarter and SEK 142 million (190) for 2012 (compared with if no hedging had taken place).

BillerudKorsnäs' outstanding forward exchange contracts at 31 December 2012 had a market value of SEK 41 million. Of this SEK 18 million, which is the part of the contracts matched by trade receivables, affected earnings in the fourth quarter. Other contracts had a market value of SEK 23 million.



HEDGED PORTION OF CURRENCY FLOW FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (31 DECEMBER 2012)

Currency		Q1 -13	Q2 -13	Q3 -13	Q4 -13	Total 12 months
EUR	Share of net flow	89%	60%	36%	14%	50%
	Rate	8.72	8.69	8.66	8.71	8.70
USD	Share of net flow	89%	60%	35%	16%	50%
	Rate	6.80	6.82	6.68	6.65	6.78
GBP	Share of net flow	80%	50%	29%	11%	42%
	Rate	10.59	10.63	10.58	10.58	10.60
Market value of currency contracts*		24	12	3	1	41

*On 31 December 2012.

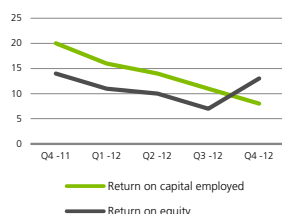
BillerudKorsnäs continuously hedges approximately 50% of forecasted net flows over the next 12-month period but in accordance with its financial policy is also able to extend currency hedging to 100% of net flows over the next 15 months.

INVESTMENTS AND CAPITAL EMPLOYED

SEK 8 315 million in gross investments for the quarter

Gross investments including company acquisitions during the fourth quarter amounted to SEK 8 315 million (179) and SEK 9 903 million (512) during 2012. The environmental and energy investment at Skärblacka amounted to SEK 196 million in the fourth quarter and SEK 463 million during 2012. In 2012, the Group acquired UPM's packaging paper business at a cost of SEK 1 073 million and Korsnäs that amounted to SEK 7 865 million, corresponding to acquired net assets excluding cash.

RETURN, % (ROLLING 12 MONTHS)



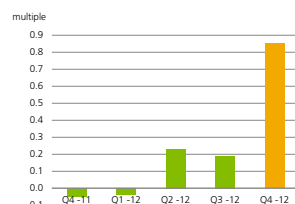
BillerudKorsnäs' capital employed at 31 December 2012 amounted to SEK 17 512 million (4 639). Return on capital employed, calculated over the past 12-month period, amounted to 8% (20). If the effects of currency hedging are excluded, return on capital employed was 5% (16). Return on equity after tax was 13% (14).

CASH FLOW AND FINANCIAL POSITION

SUMMARY CASH FLOW STATEMENT

SEKm	Quarter		Full year	
	Q4 -12	Q4 -11	2012	2011
(positive figure indicates reduction in debt)				
Operating surplus, etc.	309	238	1 282	1 604
Change in working capital, etc.	-37	48	124	-113
Net financial items, taxes, etc.	-100	-12	-414	-219
Cash flow from operating activities	172	274	992	1 272
Current net investments	-448	-178	-952	-510
Operating cash flow	-276	96	40	762

NET DEBT/EQUITY RATIO AT THE END OF THE QUARTER



Cash flow from operating activities in 2012 amounted to SEK 992 million (1 272). Operating cash flow totalled SEK 40 million (762).

Net interest-bearing debt on 31 December 2012 was SEK 8 021 million (-233). The Group's net debt/equity ratio at the end of the period was 0.85 (-0.05). BillerudKorsnäs' financial target for its net debt/equity ratio is that it should be less than 0.90.

FINANCING

Interest-bearing loans amounted to SEK 8 105 million on 31 December 2012. Of this amount, utilisation of the syndicated credit facility (maximum: SEK 5 500 million) accounted for SEK 3 110 million, bond loans for SEK 675 million, utilisation of BillerudKorsnäs' commercial paper programme (maximum: SEK 1 500 million) for SEK 671 million and other interest-bearing liabilities for SEK 3 649 million.

During the quarter, SEK 9 000 million of the Group's bridging loan was replaced by proceeds from the preferential rights issue, a new revolving 3-year loan facility of SEK 5 500 million and renegotiation of existing loans at BillerudKorsnäs AB and Korsnäs AB.

PARENT COMPANY

The parent company BillerudKorsnäs AB includes the Gruvön production unit, the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Net sales for 2012 amounted to SEK 4 160 million (4 151). Operating profit totalled SEK 203 million, which was SEK 326 million lower than in 2011. The decline was mainly attributable to a weaker operating profit for the production unit at Gruvön and a lower gain from currency hedges.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. This result amounted to SEK 142 million (190) in 2012.

Investments in property, plant and equipment and intangible assets excluding shares in 2012 amounted to SEK 160 million (201). The average number of employees was 941 (937). Cash and bank balances and short-term investments amounted to SEK 556 million (842).

SEASONAL EFFECTS

BillerudKorsnäs' business is to a relatively limited extent subject to seasonal fluctuations. The greatest impact is from periodic maintenance shutdowns, during which the unit concerned is idle for approximately a week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown.

MAINTENANCE SHUTDOWNS

In addition to ongoing maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. In order to carry out maintenance, production of pulp, paper and board is stopped – known as a maintenance shutdown. The cost of a maintenance shutdown mainly comprises the loss of volume related to the shutdown and fixed costs, mainly in the form of costs of maintenance and overtime work, as well as - to some extent - variable costs such as higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown is an assessment of the impact on earnings of a normal shutdown, compared to a quarter during which no periodic maintenance shutdown takes place.



Production units	Estimated shutdown cost, SEKm	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown 2013 2012 2011
		Packaging Paper	Consumer Board	Container-board	
Gävle	Appr. 100	Appr. 10%	Appr. 70%	Appr. 20%	Q4 Q4 Q4
Gruvön	Appr. 100	Appr. 40%	Appr. 5%	Appr. 55%	- Q4 Q4
Frövi	Appr. 55	0%	100%	0%	Q2 Q2 Q2
Skärblacka	Appr. 60	Appr. 85%	0%	Appr. 15%	Q3 Q3 Q2
Karlsborg	Appr. 40	100%	0%	0%	Q3 Q3 Q3
Pietarsaari	Appr. 15	100%	0%	0%	Q4 Q4 Q4

Maintenance shutdowns at Beetham, Rockhammar and Tervasaari have an insignificant effect on BillerudKorsnäs' total earnings.

As a result of the current environmental and energy investments at Skärblacka, the maintenance shutdown in the third quarter 2013 will be longer than normal. In addition to the cost of approximately SEK 60 million for a normal shutdown, a loss of profits amounting to approximately SEK 120 million also has to be taken into account.

In the fourth quarter 2013 a shorter maintenance shutdown will take place at Gruvön. The cost for this shutdown is estimated at approximately SEK 50 million, compared to a normal shutdown of approximately SEK 100 million.



BillerudKorsnäs closed NASDAQ OMX Stockholm on its first day of trading, 29 November 2012.

LARGEST SHAREHOLDERS

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (31 DECEMBER 2012)

Shareholder	Number of shares	Number of votes, %
Investment AB Kinnevik	34 551 592	25.1
FRAPAG Beteiligungsholding AG	21 621 400	15.7
Swedbank Robur Funds	2 160 865	1.6
SHB Funds	2 021 131	1.5
AFA Insurance	1 930 270	1.4
Nordea Funds	1 718 101	1.2
Norges Bank Investment Management	1 649 448	1.2
SEB Funds	1 456 412	1.1
Evli Funds	1 120 395	0.8
Second Swedish National Pension Fund	988 261	0.7
Total 10 largest shareholders	69 217 875	50.3
Total number of shares in the market	137 667 258	100.0

Source: SIS Ägarservice AB. Excludes BillerudKorsnäs' approximately 1.7 million bought-back shares and foreign custodian banks.

The total number of shareholders (including nominee-registered) was 104 625. The proportion of foreign ownership was 34.4% of the number of shares in the market. More information about shareholder structure is available at www.billerudkorsnas.com/investor-relations.

DISTRIBUTION OF SHARES

DISTRIBUTION OF SHARES (31 DECEMBER 2012)

Registered number of shares	139 386 205
Bought back shares	-1 718 947
Total number of shares in the market	137 667 258

The number of shares registered on 11 January 2013 was 208 219 834 as a result of the preferential rights issue.

SIGNIFICANT RISKS AND UNCERTAINTIES

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses are in SEK. A more in-depth description of risks and a sensitivity analysis is provided on pages 69-73 of the 2011 Annual Report and on pages 10-13 in the prospectus for the 2012 preferential rights issue.

RELATED PARTY TRANSACTIONS

No transactions have taken place between BillerudKorsnäs and related parties that significantly affect the company's position and earnings.



EVENTS AFTER THE END OF THE QUARTER

The Board of Directors proposes a dividend of SEK 2.00 per share for 2012.

On 16 January, the Linköping Administrative Court announced its ruling on the Group's appeal against the Swedish Energy Agency's decision on the award of electricity certificates for new allocation periods. The Court rejected BillerudKorsnäs's appeal. BillerudKorsnäs has appealed the Court's ruling.

The preferential rights issue that took place in December 2012 was completed in early 2013. The issue comprised 68 833 629 shares and the issue proceeds totalled approximately SEK 1 996 million before deduction of issue costs.

Solna, 8 February 2013
BillerudKorsnäs AB (publ)
Board of Directors

FINANCIAL CALENDAR

Interim report January-March 2013	23 April 2013
Interim report January-June 2013	18 July 2013
Interim report January-September 2013	30 October 2013

The 2013 AGM will be held on 7 May 2013.

ACCOUNTING PRINCIPLES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The amended standards and interpretations that came into force with effect from 1 January 2012 have not had any material effect on BillerudKorsnäs' financial statements. Starting on 1 January 2012, BillerudKorsnäs AB recognises group contributions received and provided as an appropriation. Apart from these changes, the accounting principles applied in this interim report are the same as those used in the most recent annual report for 2011, see pages 74-82 and page 109 for definitions of key indicators. The new revised pension standard, IAS19R, effective as 1 January 2013, will increase the pension liability and reduce equity by approximately SEK 59 million. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act. Key figure definitions are provided on page 16 of this report.

<p>The information in this year-end report is such that BillerudKorsnäs AB (publ) is obliged to disclose under the Swedish Securities Market Act. This report has been prepared in both a Swedish and an English version. In the event of variations between the two, the Swedish version shall take precedence. The report has not been reviewed by the company's auditor.</p>



**BILLERUDKORSNÄS GROUP
INCOME STATEMENT**

SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Net sales	3 068	2 628	2 086	10 427	9 343
Other income	10	7	9	27	18
Operating income	3 078	2 635	2 095	10 454	9 361
Change in inventories	150	-20	69	77	1
Raw materials and consumables	-1 679	-1 387	-1 095	-5 413	-4 480
Other external costs	-755	-545	-480	-2 268	-1 863
Employee benefits expense	-526	-360	-363	-1 654	-1 427
Depreciation and impairment of non-current assets	-244	-162	-150	-709	-614
Profit/Loss from participations in associated companies	1	-	-1	2	-
Operating expenses	-3 053	-2 474	-2 020	-9 965	-8 383
Operating profit/loss	25	161	75	489	978
Financial income and expenses	-56	-23	-13	-87	-45
Profit/Loss before tax	-31	138	62	402	933
Taxes	392	-37	-17	275	-250
Net profit/loss for the period	361	101	45	677	683
Profit/Loss attributable to:					
Owners of the parent company	361	101	45	677	683
Non-controlling interests	-	-	-	-	-
Net profit/loss for the period	361	101	45	677	683
Earnings per share, SEK	2.51	0.80	0.35	5.14	5.34
Diluted earnings per share, SEK	2.50	0.79	0.35	5.12	5.33

STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Net profit/loss for the period	361	101	45	677	683
Other comprehensive income					
Differences arising from the translation of foreign operations' accounts	21	-52	-1	-56	3
Change in fair value of shareholding in Bergvik Skog AB	8	-	-	8	-
Change in fair value of cash flow hedges	-48	-58	-4	-134	-312
Change in fair value of cash flow hedges transferred to net profit/loss for the period	18	86	44	142	186
Tax attributable to components of other comprehensive income	8	-7	-11	-2	33
Total comprehensive income for the period	368	70	73	635	593
Attributable to:					
Owners of the parent company	368	70	73	635	593
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	368	70	73	635	593

STATEMENT OF CHANGES IN EQUITY

SEKm	Full year	
	2012	2011
Opening balance	4 871	4 637
Comprehensive income for the period	635	593
Directed issue	2 367	-
Ongoing rights issue	1 935	-
Share-based payment to be settled in equity instruments	1	2
Sales of treasury shares, incentive programme	-	-
Dividends paid	-361	-361
Attributable to owners of the parent company	9 448	4 871
Non-controlling interests	44	1
Closing balance	9 492	4 872



BALANCE SHEET

	31 Dec 2012	30 Sep 2012	31 Dec 2011
SEKm			
Non-current assets	17 645	5 977	5 508
Inventories	3 146	1 024	1 135
Accounts receivable	2 244	2 289	1 391
Other current assets	943	407	372
Cash and cash equivalents	745	620	929
Total assets	24 723	10 317	9 335
Attributable to owners of the parent company	9 448	4 777	4 871
Non-controlling interests	44	1	1
Shareholders' equity	9 492	4 778	4 872
Interest-bearing liabilities	5 405	275	819
Provisions for pensions	757	227	219
Other provisions	83	38	36
Deferred tax liabilities	2 577	1 464	1 467
Total non-current liabilities	8 822	2 004	2 541
Interest-bearing liabilities	2 700	1 014	-
Accounts payables	2 549	1 861	1 227
Other liabilities and provisions	1 160	660	695
Total current liabilities	6 409	3 535	1 922
Total equity and liabilities	24 723	10 317	9 335

STATEMENT OF CASH FLOW

SEKm	Quarter			Full year	
	Q4 -12	Q3 -12	Q4 -11	2012	2011
Operating surplus, etc. *	309	359	238	1 282	1 604
Change in working capital, etc.	-37	193	48	124	-113
Net financial items, taxes, etc.	-100	-62	-12	-414	-219
Cash flow from operating activities	172	490	274	992	1 272
Investments in property, plant and equipment	-450	-243	-179	-965	-512
Acquisition of financial assets	-	-	-	-	-81
Disposal of financial assets	-1	-	-	339	-
Business combinations	-5 498	-34	-	-6 571	-
Disposal of property, plant and equipment	2	-	1	13	2
Cash flow from investing activities	-5 947	-277	-178	-7 184	-591
Change in interest-bearing receivables	-46	-	-	-46	-
Change in interest-bearing liabilities	4 014	-5	6	4 488	-132
Dividend	-	-	-	-361	-361
Rights issue	1 935	-	-	1 935	-
Sale of bought back shares, incentive programme	-	-	-	-	-
Cash flow from financing activities	5 903	-5	6	6 016	-493
Total cash flow (=change in cash and cash equivalents)	128	208	102	-176	188
Cash and cash equivalents at start of period	620	416	829	929	740
Translation differences in cash and cash equivalents	-3	-4	-2	-8	1
Cash and cash equivalents at the end of the period	745	620	929	745	929

*The amount for the period January - December 2012 takes into account operating profit of SEK 489 million, reversed depreciation SEK 709 million, increase in pension liabilities SEK 23 million, other provisions SEK 2 million, expensed indirect acquisition costs SEK 34 million, capital losses SEK 7 million and net of produced and sold electricity certificates and sold emission rights SEK 18 million. The amount for the period January - December 2011 takes into account operating profit of SEK 978 million, reversed depreciation SEK 614 million, increase in pension liabilities SEK 3 million, net of produced and sold electricity certificates and sold emission rights SEK -6 million, change in structural provisions SEK 9 million, incentive programme SEK 5 million and capital gain SEK 1 million.



KEY FIGURES

	Full year	
	2012	2011
Margins		
Gross margin, %	11	17
Operating margin, %	5	10
Return (rolling 12 months)		
Return on capital employed, %	8	20
Return on total capital, %	4	11
Return on equity, %	13	14
Return on equity after dilution, %	13	14
Capital structure at end of period		
Capital employed, SEKm	17 512	4 639
Equity, SEKm	9 492	4 872
Interest-bearing net debt, SEKm	8 021	-233
Net debt/equity ratio, multiple	0.85	-0.05
Net debt/equity ratio after dilution, multiple	0.84	-0.05
Equity ratio, %	38	52
Equity ratio after dilution, %	39	52
Key figures per share		
Earnings per share, SEK	5.14	5.34
Average number of shares, thousands	131 852	127 861
Earnings per share after dilution, SEK	5.12	5.33
Average number of shares after dilution, thousands	132 157	128 223
Cash flow from operating activities per share, SEK	7.52	9.94
Operating cash flow per share, SEK	0.30	5.96
Equity per share, SEK	45.75	38.10
Number of share at the end of the period, thousands	206 501	127 861
Equity per share after dilution, SEK	45.68	37.99
Number of share at the end of the period, thousands	206 806	128 223
Other key figures		
Gross investments, SEKm	965	512
Business combinations, SEKm	8 938	-
Average number of employees	2 548	2 277

QUARTERLY KEY FIGURES

	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11	Q1 -11
Earnings per share, SEK	2.51	0.80	0.92	0.75	0.35	1.64	1.51	1.84
Cash flow from operating activities per share, SEK	1.20	3.83	1.66	0.92	2.14	4.16	3.65	-0.01
Return on capital employed, %	0	3	3	3	2	6	6	7
Return on equity, %	7	2	2	2	1	4	4	5
Equity per share, SEK	45.75	37.36	36.81	38.97	38.10	37.52	36.31	38.08

BUSINESS COMBINATIONS

On 29 November 2012, Billerud AB (subsequently renamed BillerudKorsnäs AB) acquired all shares outstanding in Korsnäs AB from Kinnevik at a cost of SEK 8 199 million, and assumed operational control and a controlling interest in Korsnäs AB. The consideration paid for Korsnäs consists of newly issued shares in BillerudKorsnäs (directed issue) and a preliminary cash payment. The cash payment is to be adjusted according to the actual levels of external net debt, working capital and level of investment on the day of taking possession, and on 29 November a preliminary cash payment of SEK 5 332 million was made on the basis of estimates of the above-mentioned items on the day of taking possession (including compensation to Kinnevik for settlement of Korsnäs receivable with Kinnevik of SEK 2 579 million). In addition, a seller's promissory note for SEK 500 million was issued. Of the purchase consideration, SEK 324 million consisted of cash and cash equivalents acquired and SEK 3 264 million of interest-bearing debt was taken over. On the day of taking possession, the directed issue was valued at SEK 2 367 million. Korsnäs has been part of the BillerudKorsnäs Group with effect from 29 November 2012.

The operations of Billerud and Korsnäs complement each other very well. The combination creates a strong and focused player in packaging materials and packaging solutions. BillerudKorsnäs secures a strong platform for further expansion into new markets, with competitive products and solutions.



BILLERUDKORSNÄS

One condition for European Commission approval of Billerud's acquisition of Korsnäs was that the paper machine used for manufacturing white kraft and sack paper at the Gävle production unit (PM2) should be divested. Because this operation represents a minor proportion of the new group's total combined income statement and balance sheet, it is not accounted for separately as a fixed asset group for sale. Net sales and operating profit from PM2 at the Gävle production unit have been accounted for under Other units.

At the acquisition of Korsnäs, differences were identified between fair value and the carrying amount for tangible assets, inventories and defined-benefit pension liability. In addition, at acquisition customer contracts and trademark had been measured at fair value and recognised as separate intangible assets. Because the aggregated purchase consideration exceeds the net value of all assets and liabilities acquired, goodwill is recognised. This goodwill has been calculated provisionally at SEK 1 162 million and is made up of assets and future cash flows (such as synergies via coordination of raw material supply and other purchases and via optimisation of development, production, logistics and sales), see table Preliminary Acquisition Analysis below. The impact of the acquisition on external net sales in 2012 amounted to SEK 657 million, while the impact on operating profit was SEK 40 million, based on operating result SEK 88 million, amortisation of surplus values SEK -12 million and realised surplus value in inventory acquired SEK -36 million. Profit for 2012 was also charged with indirect acquisition costs of SEK -42 million. Korsnäs' net sales for the full year of 2012 amounted to SEK 8 980 million. The company's operating profit totalled SEK 920 million.

PRELIMINARY ACQUISITION ANALYSIS

SEKm	
Purchase consideration	8 199
Less: shareholders' equity in Korsnäs on day of taking possession	-5 429
Difference for allocation	2 770
Difference between fair value and the carrying amount for tangible assets	1 417
Fair value of customer contracts	567
Fair value of trademark	66
Difference between fair value and the carrying amount for inventories	84
Difference between fair value and the carrying amount for defined-benefit pension liability, including special payroll tax	-73
Deferred tax at 22% on the above	-453
Goodwill	1 162
Total	2 770

PARENT COMPANY SUMMARISED INCOME STATEMENT

SEKm	Quarter		Full year	
	Q4 -12	Q4 -11	2012	2011
Operating income	860	909	3 856	4 185
Operating expenses	-933	-895	-3 653	-3 656
Operating profit/loss	-73	14	203	529
Financial income and expenses	-34	9	-18	-
Profit/Loss after financial income and expenses	-107	23	185	529
Appropriations	1 438	-1 161	1 438	-1 161
Profit/loss before tax	1 331	-1 138	1 623	-632
Taxes	-246	301	-318	168
Net profit/loss for the period	1 085	-837	1 305	-464

2011 Financial income and expenses as well as Appropriations are recalculated due to the new principles for recognition of group contributions.

SUMMARISED BALANCE SHEET

SEKm	31 Dec	31 Dec
	2012	2011
Subscribed capital unpaid	42	-
Non-current assets	14 622	4 198
Current assets	3 704	3 931
Total assets	18 368	8 129
Shareholders' equity	8 378	3 090
Untaxed reserves	346	2 212
Provisions	759	543
Interest-bearing liabilities	7 539	1 409
Other liabilities	1 346	875
Total equity and liabilities	18 368	8 129



BUSINESS AREAS

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas: Packaging Paper, Consumer Board and Containerboard. Non-current assets and capital investments cannot be broken down by business area since the business areas are highly integrated in terms of production.

Other units include wood supply, sales organisations, Tenova Bioplastics AB, Nine TPP AB, Billerud Inc., Diacell AB, the Latgran Group, white kraft and sack paper at the Gävle production unit (PM2) and dormant companies.

Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivable and payments from customers. The part of currency exposure relating to changes in invoicing rates is included in the business area's profit or loss.

Group staff and eliminations comprise Group-wide functions and Group eliminations. Group eliminations also include shares in profits/losses from participations in associated companies

NET SALES

QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11	Q1 -11	Jan-Dec	Jan-Dec
									2012	2011
Packaging Paper	1 717	1 925	1 668	1 527	1 357	1 521	1 514	1 653	6 837	6 045
Consumer Board	508	-	-	-	-	-	-	-	508	-
Containerboard	623	634	674	663	644	696	704	728	2 594	2 772
Other units	183	52	79	79	69	64	75	88	393	296
Currency hedging, etc.	37	17	19	22	16	46	90	78	95	230
Group staff and eliminations	-	-	-	-	-	-	-	-	-	-
Total Group	3 068	2 628	2 440	2 291	2 086	2 327	2 383	2 547	10 427	9 343

OPERATING PROFIT

QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11	Q1 -11	Jan-Dec	Jan-Dec
									2012	2011
Packaging Paper	39	84	145	84	41	173	122	178	352	514
Consumer Board	35	-	-	-	-	-	-	-	35	-
Containerboard	23	73	67	56	60	119	94	97	219	370
Other units	9	20	9	10	4	9	9	13	48	35
Currency hedging, etc.	37	17	19	22	16	46	90	78	95	230
Group staff and eliminations	-118	-33	-79	-30	-46	-51	-40	-34	-260	-171
Total Group	25	161	161	142	75	296	275	332	489	978

OPERATING MARGIN

QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

%	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11	Q1 -11	Jan-Dec	Jan-Dec
									2012	2011
Packaging Paper	2	4	9	6	3	11	8	11	5	9
Consumer Board	7	-	-	-	-	-	-	-	7	-
Containerboard	4	12	10	8	9	17	13	13	8	13
Group	1	6	7	6	4	13	12	13	5	10

SALES VOLUMES

QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

ktonnes	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11	Q1 -11	Jan-Dec	Jan-Dec
									2012	2011
Packaging Paper	254	283	242	232	200	210	207	233	1 011	850
Consumer Board	71	-	-	-	-	-	-	-	71	-
Containerboard	120	130	132	128	115	125	128	136	510	504
Total	445	413	374	360	315	335	335	369	1 592	1 354



DEFINITIONS

Capital employed

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets.

Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares in the market during the period.

Earnings per share

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market.

Earnings per share after dilution

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market after estimated utilisation of incentive programmes.

Equity

Shareholders' equity at the end of the period.

Equity per share

Shareholders' equity at the end of the period, attributable to owners of the parent, divided by the number of shares in the market at the end of the period.

Equity per share after dilution

Shareholders' equity at the end of the period, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programmes divided by the number of shares in the market at the end of the period after estimated utilisation of incentive programmes.

Equity ratio

Shareholders' equity as a percentage of total assets.

Equity ratio after dilution

Shareholders' equity plus the effect of estimated utilisation of incentive programmes as a percentage of total assets plus the effect of estimated utilisation of incentive programmes.

Fluting

The rippled middle layer in corrugated board, produced from either primary or recycled fibre.

Gross Margin

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales.

Interest-bearing net debt

Interest-bearing provisions and liabilities less interest-bearing assets.

Market pulp

Pulp which is sold to paper mills that do not produce their own pulp.

Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

Net debt/equity ratio after dilution

Interest-bearing net debt divided by shareholders' equity plus the effect of estimated utilisation of incentive programmes.

Operating cash flow per share

Operating cash flow divided by the average number of shares in the market during the period.

Operating margin

Operating profit as a percentage of net sales.

Return on capital employed

Operating profit as a percentage of average capital employed.

Return on equity

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent.

Return on equity after dilution

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programmes.

Return on total capital

Operating profit as a percentage of average total capital.



BillerudKorsnäs offers primary fibre-based packaging materials and packaging solutions. The company holds a prominent position in several product segments, both in primary fibre-based materials for consumer packaging and for industrial purposes. Through its business model BillerudKorsnäs focuses on its customers and offers high-quality materials, knowledge of the entire value chain and a global network of customers and packaging partners. The aim is to create values that strengthen customer brands and competitiveness, thereby securing the company's position as the natural partner for smarter packaging. BillerudKorsnäs' strategy is to generate profitable growth through World Class Process Efficiency and Customer-focused Development. Today, BillerudKorsnäs' biggest market is Europe.

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