



INTERIM REPORT JANUARY-MARCH 2011

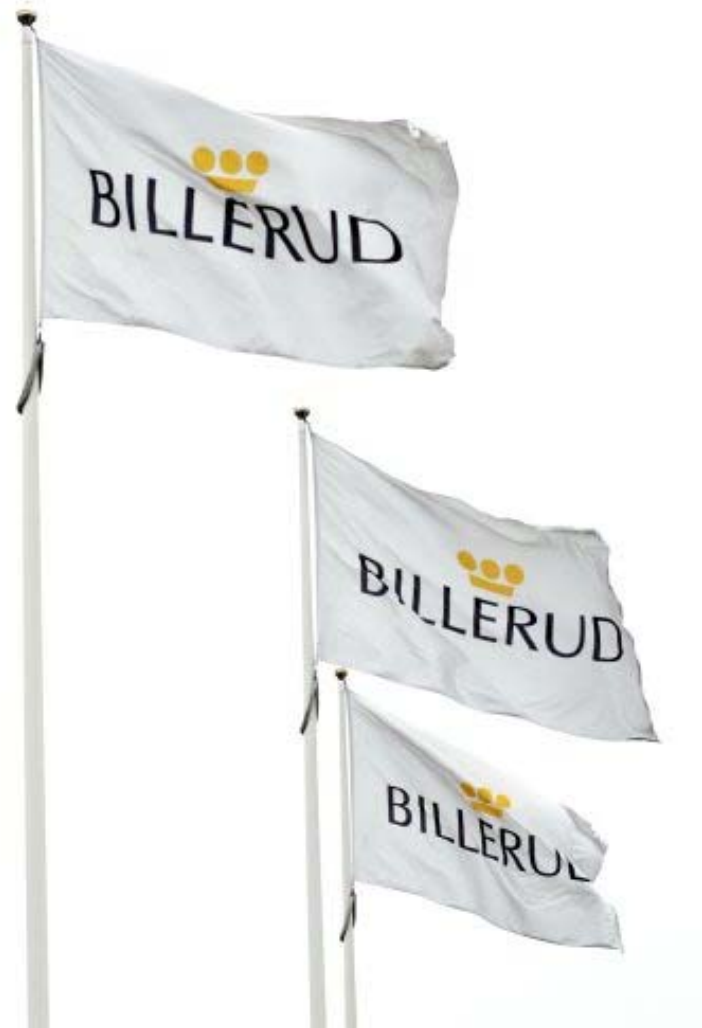


Per Lindberg, President and CEO
Bertil Carlsén, CFO
20 April, 2011



AGENDA

- Highlights
- Development by Business Area
- Financials
- Outlook



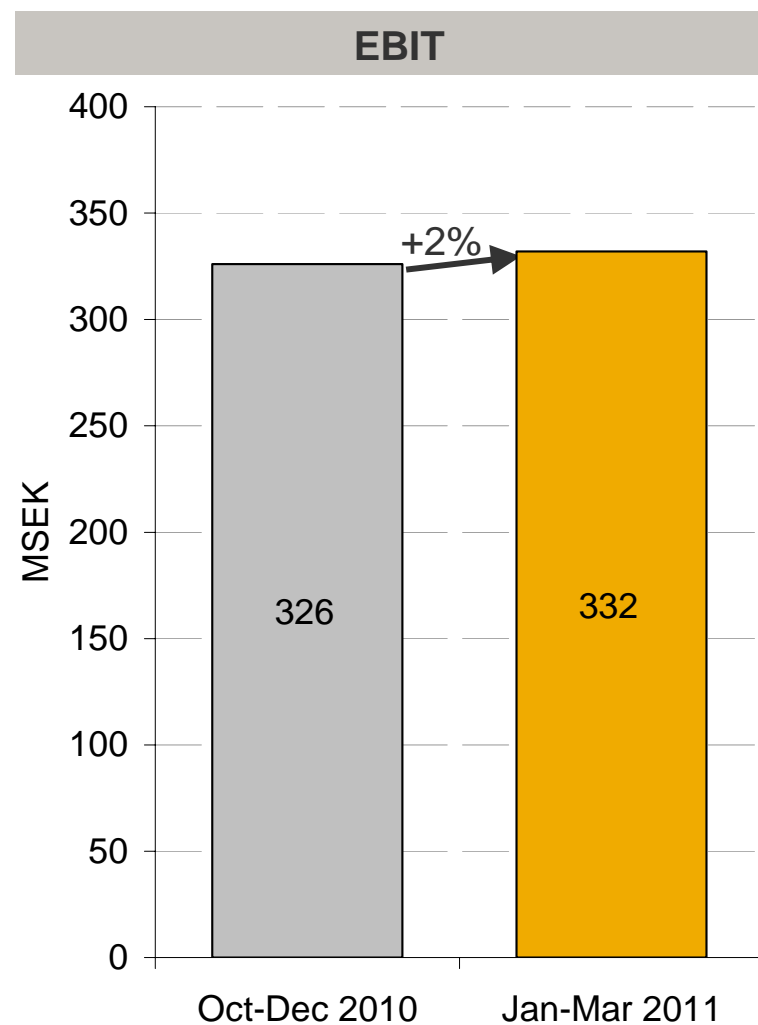
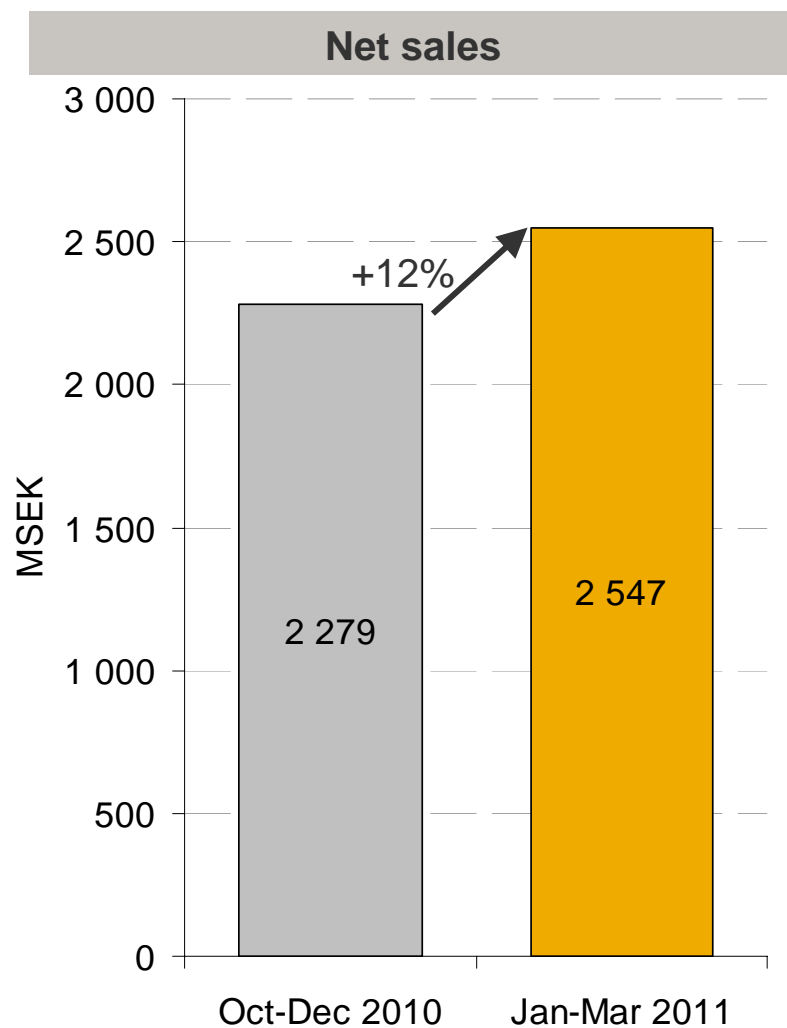
HIGHLIGHTS IN Q1 2011

- Strong Q1 results
 - » Operating profit of MSEK 332, margin 13%
 - » Top line growth of 12% vs. Q4
- Sales volume record – 369 ktonnes
- Continued strong results for packaging paper
 - » Strong order situation
- Good results in Market Pulp
 - » Pulp market balance remained stable





CONTINUED INCREASE IN NET SALES & EBIT





BUSINESS AREAS & SEGMENTS

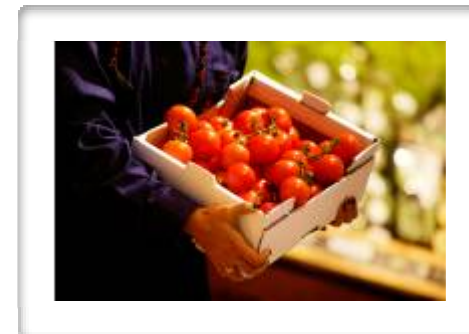
PACKAGING & SPECIALITY PAPER

Kraft & Sack Paper



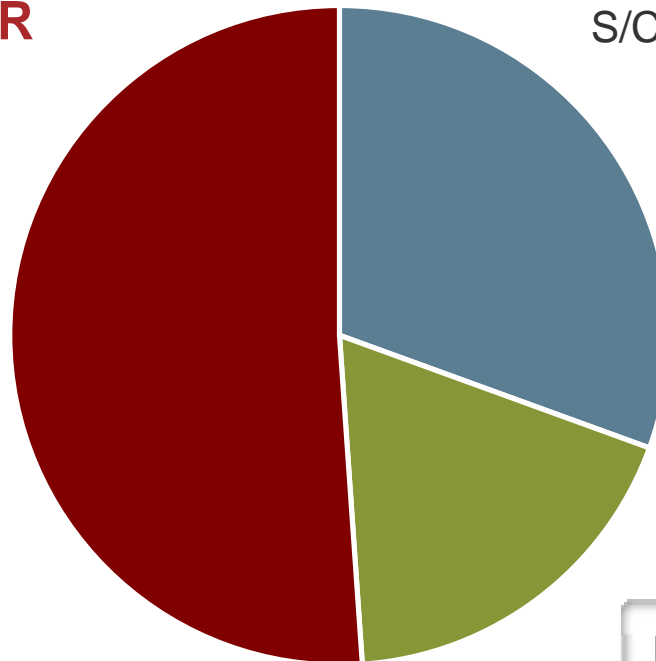
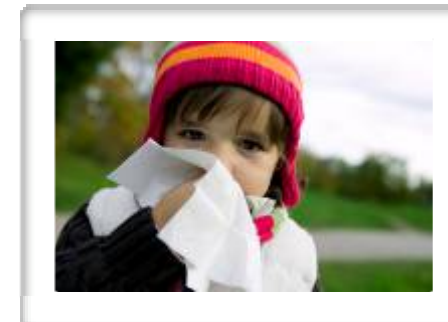
PACKAGING BOARDS

S/C Fluting, Liner, Liquid Board



MARKET PULP

Nordic Bleached
Softwood Kraft Pulp



Note: Graph shows sales breakdown per business area for Jan-Mar 2011.



PACKAGING & SPECIALITY PAPER

Market situation in Q1 2011

- Continued very good order situation for the season for sack paper and slightly below Q1 2010 level for kraft paper
- Increased price level in local currency for most products vs. Q4
- Additional price increases have been announced

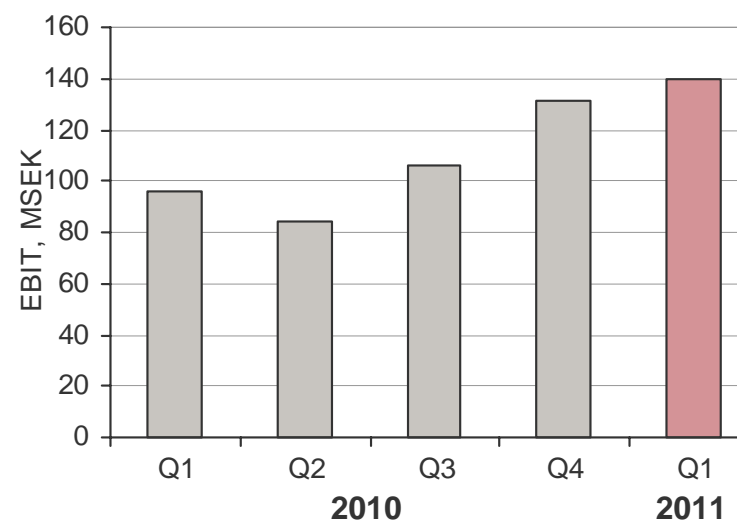




PACKAGING & SPECIALITY PAPER

Financials – Q1 2011 vs. Q4 2010

- Operating profit up by MSEK 9
- +24% increase in sales volume
- Price improvements and higher sales compensated for a stronger SEK and higher variable costs



	Q1 2011	Q4 2010	Q1 2010	FY 2010
Net sales, MSEK	1,217	1,020	1,052	4,166
Operating profit, MSEK	140	131	96	417
Operating margin, %	12	13	9	10

PACKAGING BOARDS

Market situation in Q1 2011

- Continued stable order situation throughout the quarter
- Increased price level in local currency for most products vs. Q4
- Additional price increases have been announced

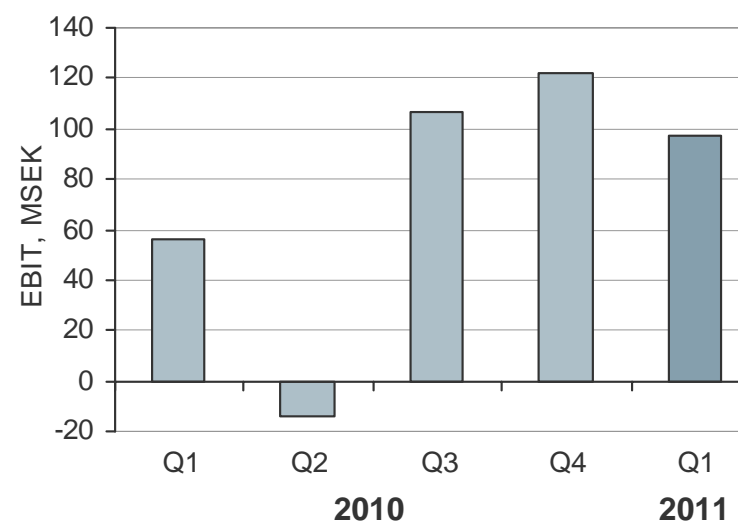




PACKAGING BOARDS

Financials – Q1 2011 vs. Q4 2010

- Operating profit down by MSEK 25
- +12% increase in sales volume
- Price improvements and higher sales compensated partly for a stronger SEK and higher variable costs



	Q1 2011	Q4 2010	Q1 2010	FY 2010
Net sales, MSEK	728	648	613	2,428
Operating profit, MSEK	97	122	56	271
Operating margin, %	13	19	9	11

MARKET PULP

Market situation in Q1 2011

- Pulp market balance remained stable
- Price level in Europe increased during Q1
 - » 980 USD/ton end of Q1 vs. 950 USD/ton end of Q4
- An additional price increase has been announced
 - » 1 010 USD/ton as of April 1, 2011

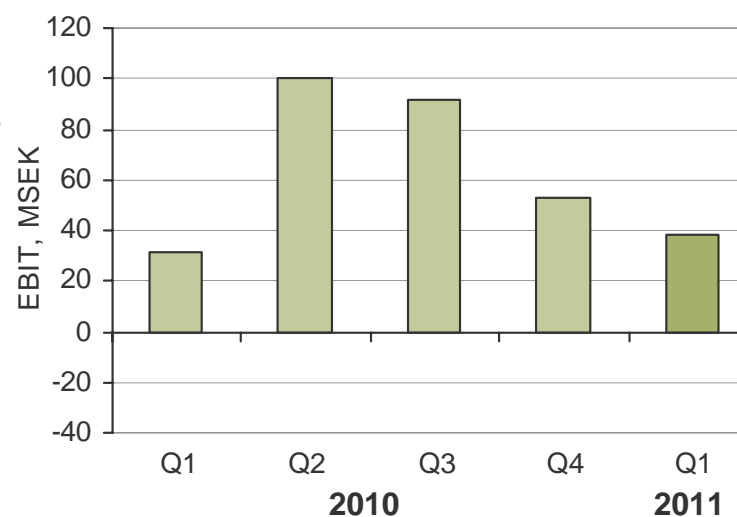




MARKET PULP

Financials – Q1 2011 vs. Q4 2010

- Operating profit down by MSEK 15
- Stronger SEK and increased variable costs



	Q1 2011	Q4 2010	Q1 2010	FY 2010
Net sales, MSEK	436	450	384	1,731
Operating profit, MSEK	38	53	31	276
Operating margin, %	9	12	8	16

Q1 IN SUM

- Strong Q1 results
 - » Both in terms of margin and net sales growth
 - » Sales volume record – 369 ktonnes
- Continued strong results for packaging paper
- Product and business development continues



FINANCIALS



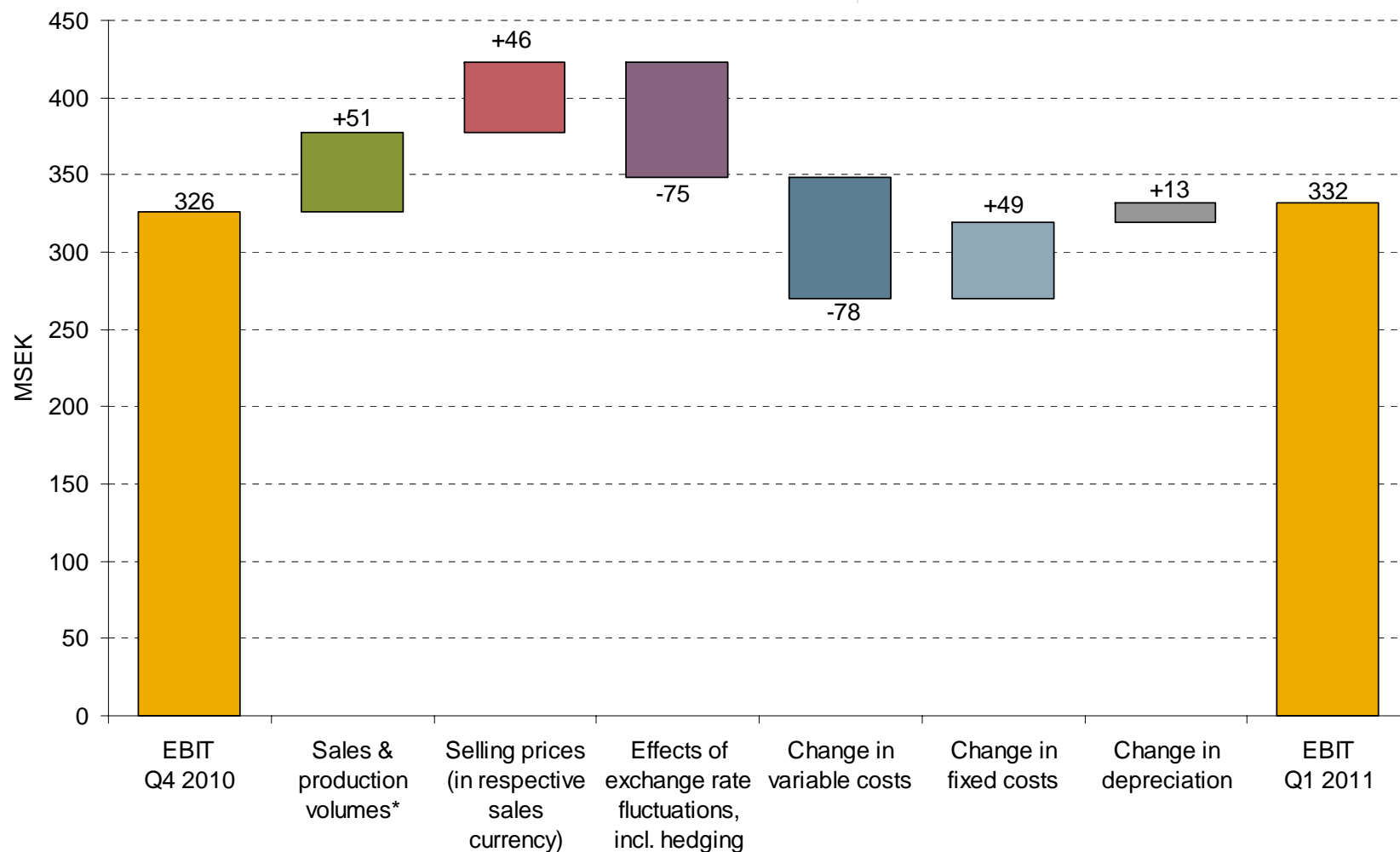


QUARTERLY KEY FIGURES

	Q1 2011	Q4 2010	Q1 2010	vs. Q4 2010	vs. Q1 2010
Sales volume (ktonnes)	369	323	343	+14%	+8%
Net sales, MSEK	2,547	2,279	2,190	+12%	+16%
Operating profit, MSEK	332	326	234	+2%	+42%
Operating margin	13%	14%	11%	-1 p.p.	+2 p.p.
Profit/share, SEK	2.28	2.19	1.52	+4%	+50%
Net debt/equity ratio	0.05	0.03	0.24	-0.02	+0.19



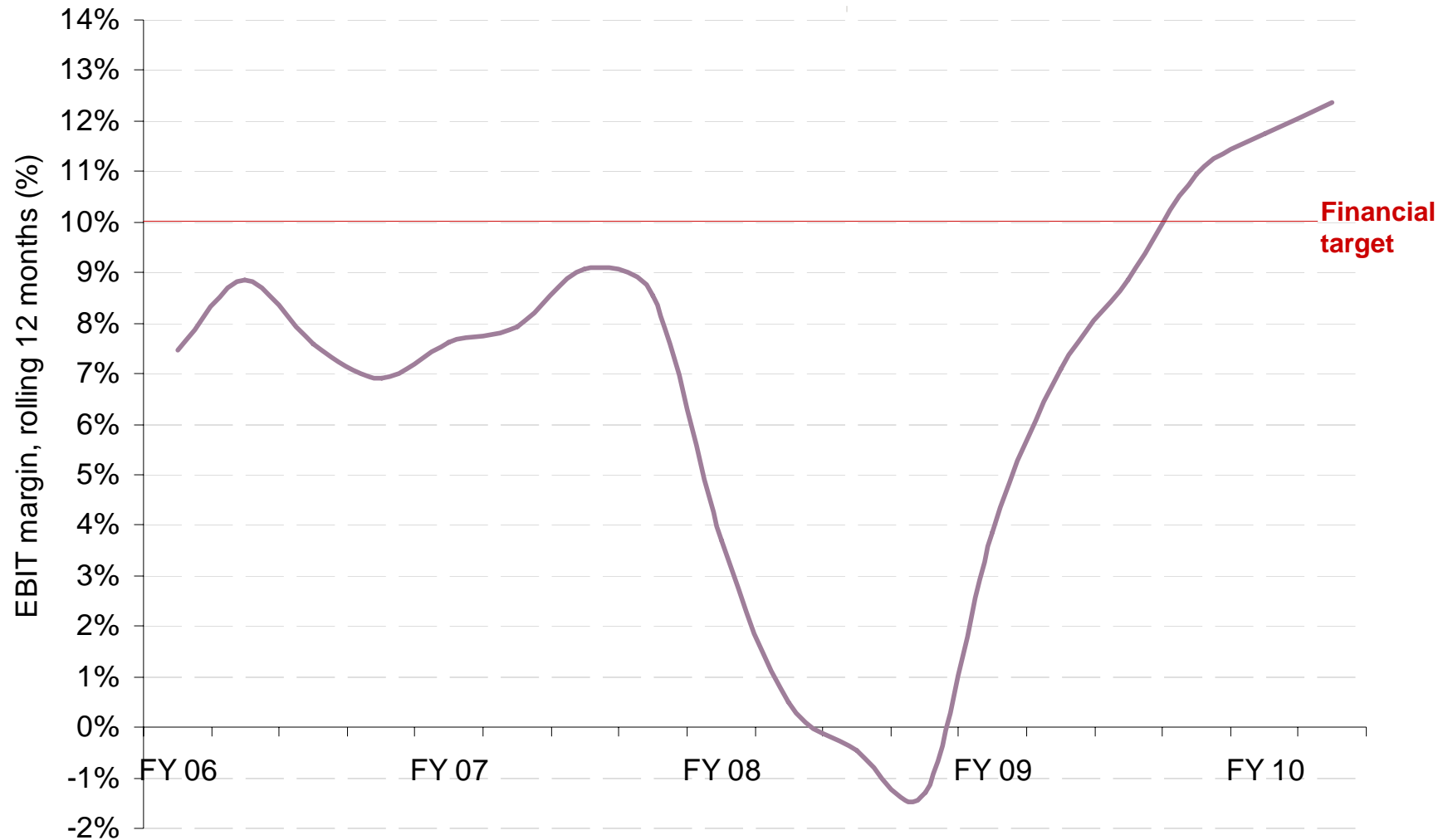
EBIT BRIDGE Q1 2011 vs. Q4 2010



* Includes product mix.



CONTINUED STRONG MARGIN TREND





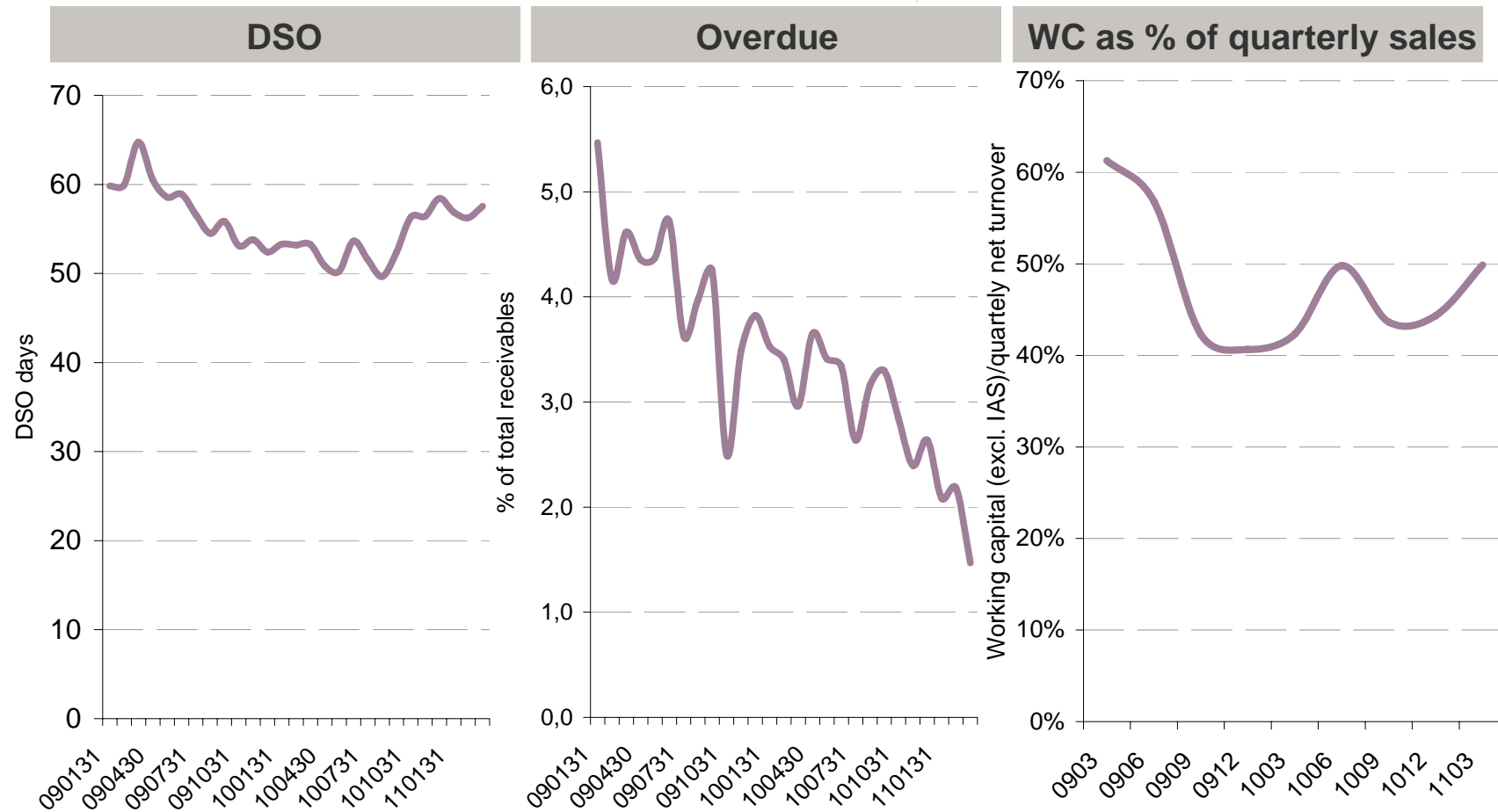
CASH FLOW

MSEK	Q1 2011	Q1 2010
Operating surplus, etc	481	379
Change in working capital, etc.	-301	-88
Net financial items, taxes, etc.	-181	-30
Cash flow from operating activities	-1	261
Current net investments	-82	-50
Business combinations	-	-
Operating cash flow	-83	211
Dividend	-	-
Other items, not affecting cash flow	-6	-35
Change in net debt ¹⁾	-89	176

¹⁾ Minus equals increase in net debt



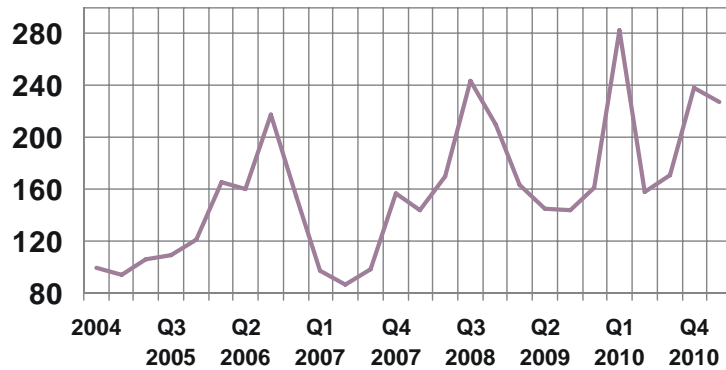
WORKING CAPITAL KEY RATIOS





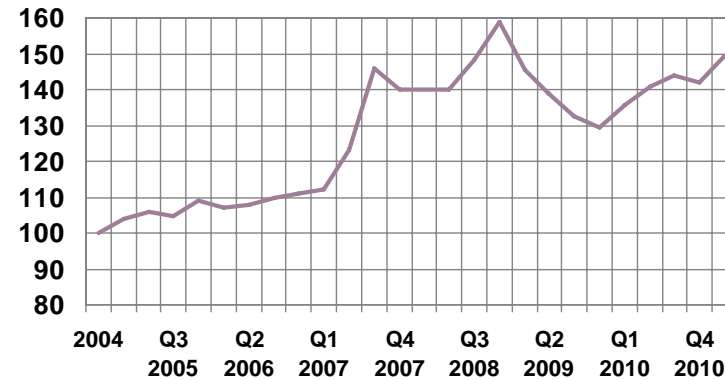
MARKET PRICES AFFECTING RESULT

Electricity index (Sweden*)



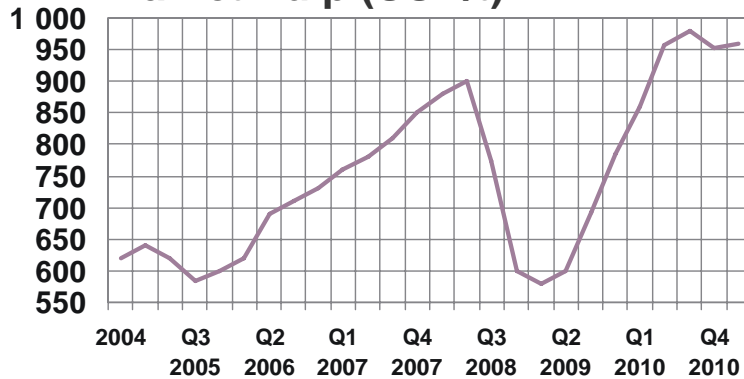
Source: Nordpool. *Price area Sweden

Wood price index



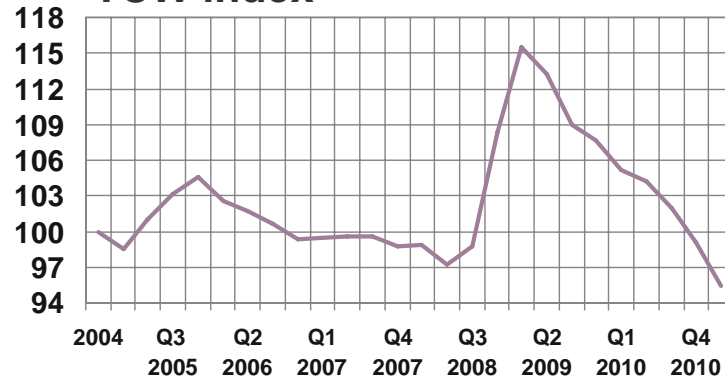
Source: Billerud

Market Pulp (USD/t)



Note: Average price for the quarter

TCW index



Source: Riksbanken



CURRENCY EFFECT OF A STRONGER SEK

	Average rate Q1 2011	Average rate Q4 2010	Spot rate 17 Apr 2011	vs. Q4 2010	vs. 17 Apr 2011
EUR	8.87	9.22	8.96	-4%	-1%
USD	6.48	6.78	6.26	-4%	+4%
GBP	10.39	10.72	10.21	-3%	+2%

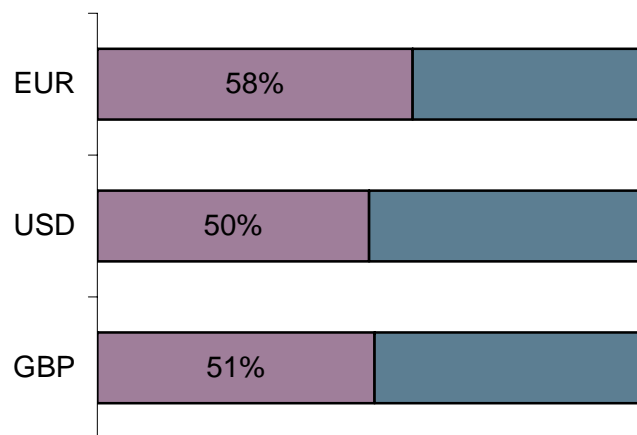
How do we manage?

- Price increases
- Hedging in the short-run
- Customer and market mix to some extent



CURRENCY SITUATION

- Profit effect of net flow hedging MSEK 99 for Q1 2011 (117)
- Market value of outstanding contracts not relating to accounts receivables was MSEK 132 (as of 31/3-11)
- Hedge level 12 months forward:



Note: Data in table and graph are as of 31 March 2011

	Apr-Jun 2011	Jul-Sep 2011	Oct-Dec 2011	Jan-Mar 2012	Total 12 months
Average hedged currency rates (hedged net flows)	9.23 (85%)	9.19 (51%)	9.41 (49%)	9.48 (47%)	9.31 (58%)
Average hedged currency rates (hedged net flows)	7.12 (88%)	7.50 (61%)	6.82 (35%)	6.60 (16%)	7.14 (50%)
Average hedged currency rates (hedged net flows)	10.79 (86%)	10.77 (54%)	10.74 (42%)	10.64 (20%)	10.76 (51%)



OUTLOOK





OUTLOOK FY 2011

- The order situation remains good or very good in most of Billerud's packaging paper areas. This provides conditions for a stable development within Billerud's packaging paper and packaging paper solutions segments.
- Price increases announced in the first quarter of 2011 are expected to have an impact in the coming quarters.
- The effects of a stronger SEK will be largely compensated by currency hedges.





Q&A



GREAT NEWS FOR YOUR PRODUCE



Fresh Box Alliance is an association of quality-minded packaging manufacturers devoted to delivering optimised packaging solutions to a demanding fresh produce industry. SolIQ™ is our brand and concept for true performance.

Now there is an optimised packaging concept developed especially for ensuring safe transportation of fresh produce. By contributing to **better transport performance without cost increases**, SolIQ™ offers a unique solution that benefits every player in a long and demanding value chain. **Contact us** and we will tell you more.

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