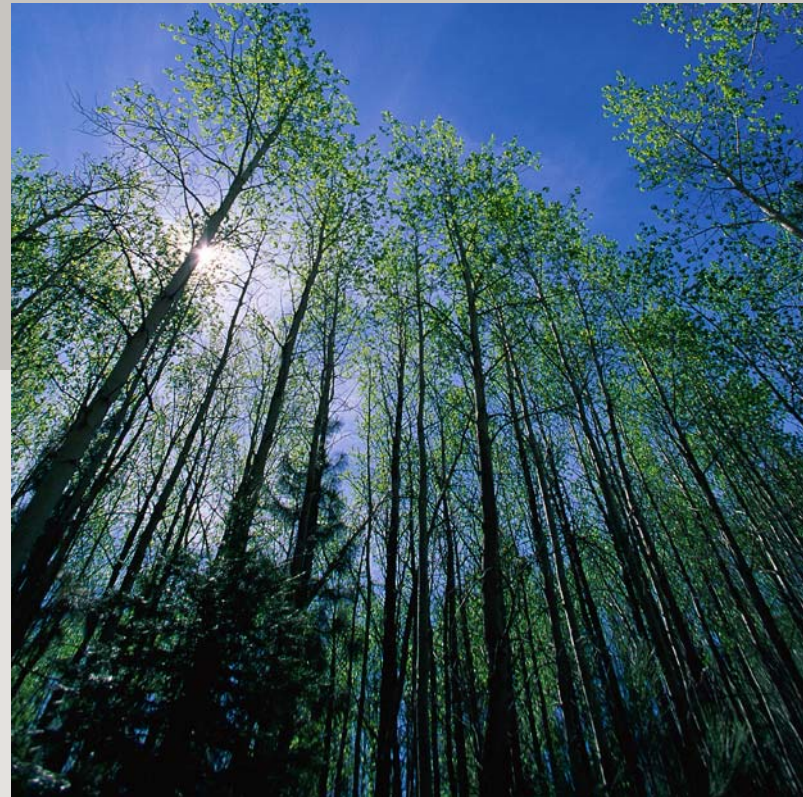


January-March 2008

Per Lindberg, CEO
Bertil Carlsén, CFO



Quarterly update & news

- Highlights
- Development by Business area
- Financials
- Outlook



Highlights Q1, 2008

- Net sales increased by 8% to MSEK 2 096 (1 932)
- Operating profit amounted to MSEK 214 (177), an increase with 21%
- Operating margin amounted to 10% (9%)
- ROCE 12%



Key figures

Q1 2008 vs. Q1 2007

	Q1 2008	Q1 2007	vs. Q1 2007
Deliveries ('000 tonnes)	340	343	-1%
Net sales, MSEK	2,096	1932	+8%
Operating profit, MSEK	214	177	+21%
Operating margin	10%	9%	+1
Profit/share, SEK	2.52	2.08	+21%
Debt/Equity ratio	0.90	0.89	+0.01

Business areas and segments

Packaging & Speciality Paper

MG, MF & Sack Paper



Packaging Boards

S/C Fluting, Liner, Liquid Board



Market Pulp

Nordic Bleached Softwood Kraft Pulp



Packaging & Specialty Paper

Market situation

Q1

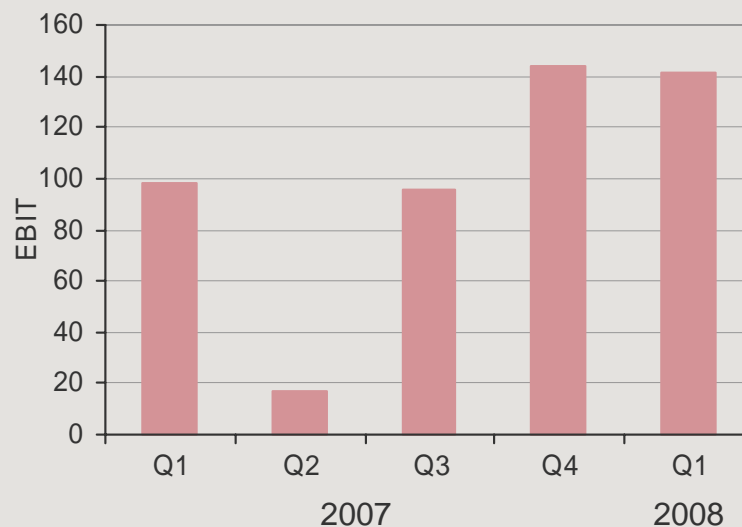
- Price increases achieved during the quarter
- Deliveries of sack paper slightly down compared to Q4
- Market for sack paper still strong
- Other segments show stable demand, except for some smaller segments that have declined



Packaging & Specialty Paper

Financials

- Deliveries -11% vs. Q4 2007
- Net sales -4% vs. Q4 2007
- Improved operating margin



	Q1 2008	Q4 2007	Q1 2007	2007
Net sales, MSEK	1,033	1,072	988	3,989
Operating profit, MSEK	141	144	98	355
Operating margin, %	14	13	10	9

Packaging Boards

Market situation

Q1

- Market stable with good deliveries
- Announced S/C fluting price increase of EUR 40/ton from 1st of April 2008



Packaging Boards

Financials

- Deliveries +8% vs. Q4 2007
- Net sales +12% vs. Q4 2007
- Improved operating margin



	Q1 2008	Q4 2007	Q1 2007	2007
Net sales, MSEK	644	577	540	2,171
Operating profit, MSEK	86	71	53	179
Operating margin, %	13	12	10	8

Market Pulp

Market situation

Q1

- Good demand during Q1
- Price increase from USD 865/ton at beginning of 2008 to USD 880/ton during Q1
- Announced price from 1st of April 2008 to USD 920/ton



Market Pulp

Financials

- Deliveries +8% vs. Q4 2007
- Turnover +8% vs. Q4 2007
- Operating margin slightly down



	Q1 2008	Q4 2007	Q1 2007	2007
Net sales, MSEK	414	382	389	1,556
Operating profit, MSEK	19	22	32	81
Operating margin, %	5	6	8	5

Q1 in sum

- Successful market positioning
- Cost situation contained
- Margin improvement



Financials



Key figures

Q1 2008 vs. Q1 2007

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Reason for EBIT Development

Q1 2008 vs. Q1 2007

Deliveries and prod. volumes, incl. product mix	- 7
Sales prices (in local currencies)	+ 218
Increased variable costs	- 123
Increased fixed costs	- 6
Increase in depreciations	- 3
Effect of exchange rates, including hedging	- 42
<hr/>	
Total effect on results	+ 37

Key figures

Q1 2008 vs. Q4 2007

	Q1 2008	Q4 2007	vs. Q4 2007
Deliveries ('000 tonnes)	340	341	0%
Net sales, MSEK	2,096	2,068	+1%
Operating profit, MSEK	214	243	-12%
Operating margin	10%	12%	-2
Profit/share, SEK	2.52	2.96	-15%
Debt/Equity ratio	0.90	0.90	0

EBIT Q1 2008 vs. Q4 2007 excl. one off items

	Q1 2008		Q4 2007	
	MSEK	EBIT %	MSEK	EBIT %
EBIT	+214	10%	+243	12%
Effects of accounting methodology change	-		+24	
Property tax repayments	-		+14	
EBIT excluding one off items	+214	10%	+205	10%

Cash Flow

MSEK	Q1 2008	Q4 2007	Q1 2007	2007
Operating surplus etc	+351	+354	+277	+1,066
Cash effect of Billerud 2007	-5	-11		-106
Working capital change	-256	+100	-40	-102
Finance net, taxes	-34	-50	-30	-128
Cash flow from operating activities	+56	+393	+207	+730
Capex, excl. energy investments	+164	-194	-120	-650
Capex (energy inv.)			-6	-6
Capex	-164	-194		-656
Operating cash flow	-108	+199	+81	+74
Dividends/share buy-backs				-180
Other	+5	+4	+5	+12
Change in net debt ¹⁾	-103	+203	+86	-94

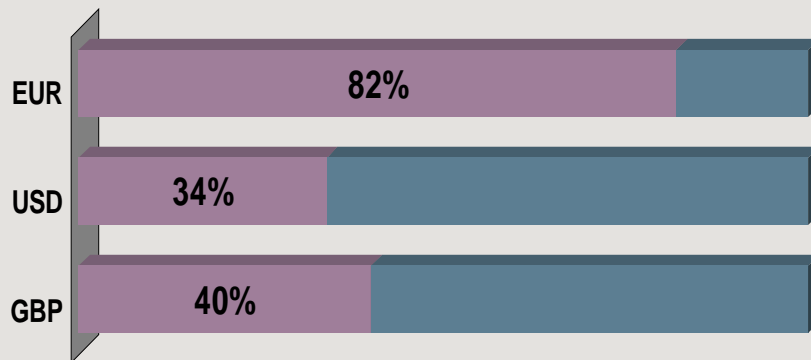
¹⁾ Minus equals increase in net debt

Change in working capital

Increase in inventory	- 71
Increase in accounts receivable	- 22
Decrease in accounts payable and other liabilities	- 163
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Total change in working capital during Q1	- 256

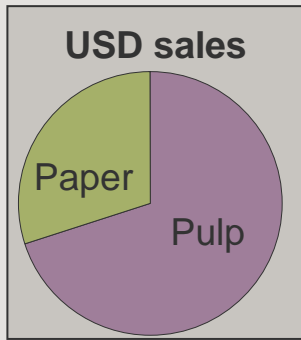
Currency situation

- Positive profit effect of net flow hedging MSEK 51 for Q1 2008
- Hedge level 12 months forward:

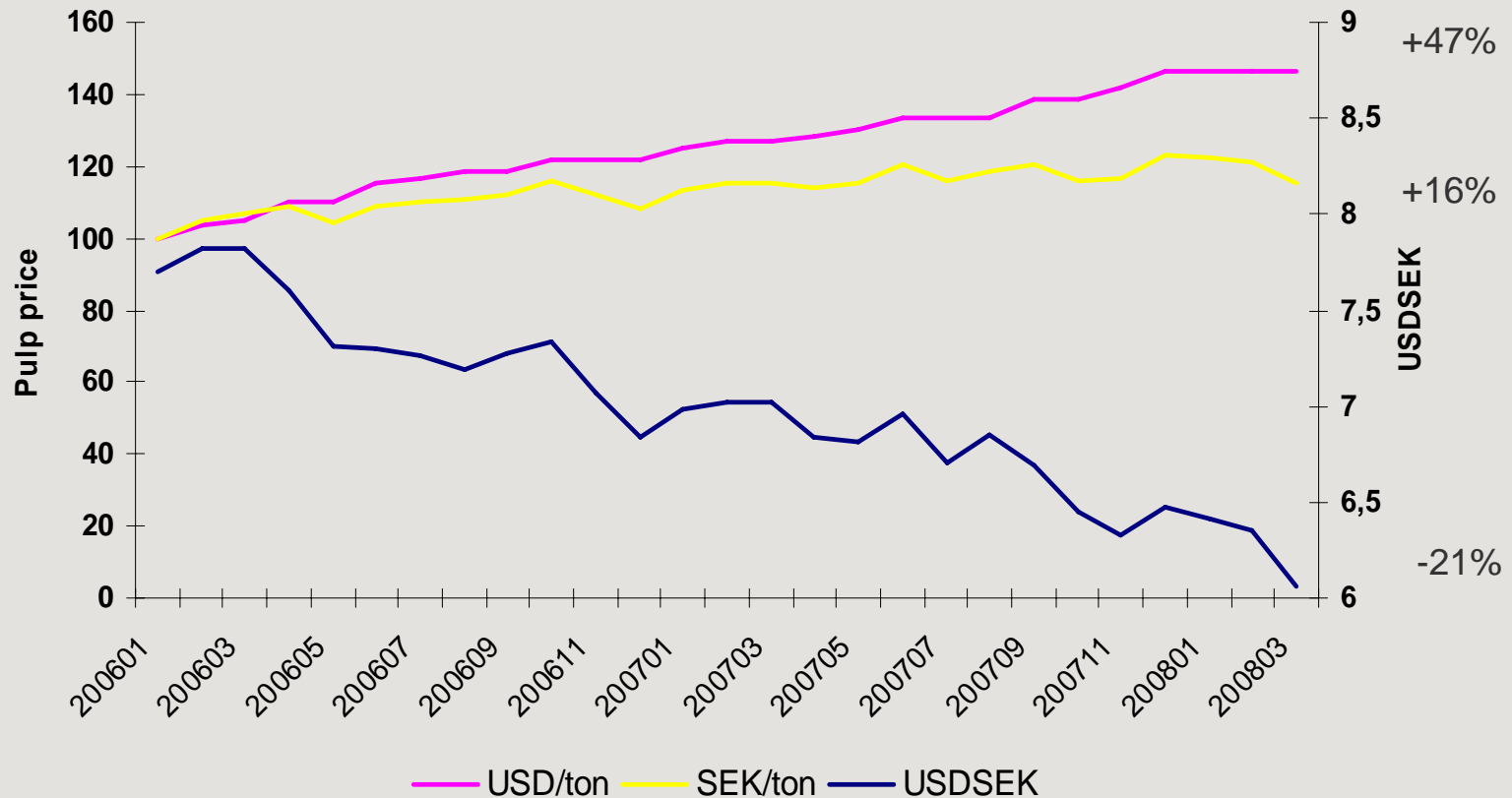


	Q4 2007		Q1 2008		Q2 2008
	Average hedged currency rates	Average current rates	Average hedged currency rates	Average current rates	Average hedged currency rates
EUR	9.22	9.28	9.33	9.40	9.36
USD	6.79	6.41	6.57	6.29	6.57
GBP	13.50	13.14	13.30	12.43	13.06

Pulp prices have increased in SEK, despite weaker USD



USD volumes of paper sales reduced by 50% 06/07



Dollar impact on Market Pulp results

(not including hedging and currency effects on working capital)

	Q1 2008	Current USD	Breakeven USD
USDSEK average	6,29	5,97	5,75
Pulp price average	880	920	920
Market Pulp			
Sales	414	410*	395**
EBIT	19	15	0
EBIT margin	5%	4%	0%

Calculation example:

Q1 2008 Market Pulp results after implementation of announced price increase of NBSK to USD 920 and at an average USD rate corresponding to 1) The current USD/SEK rate of 5,97 and 2) at a USD/SEK rate of 5,75 (break even level of USD/SEK rate).

Calculation assumes all other factors including wood costs and production performance are unchanged compared to Q1 2008 and disregards that part of market pulp sales are in other currencies than USD.

$$*414 / 6,29 \times 5,97 / 880 \times 920 = 410 \quad **414 / 6,29 \times 5,75 / 880 \times 920 = 395$$

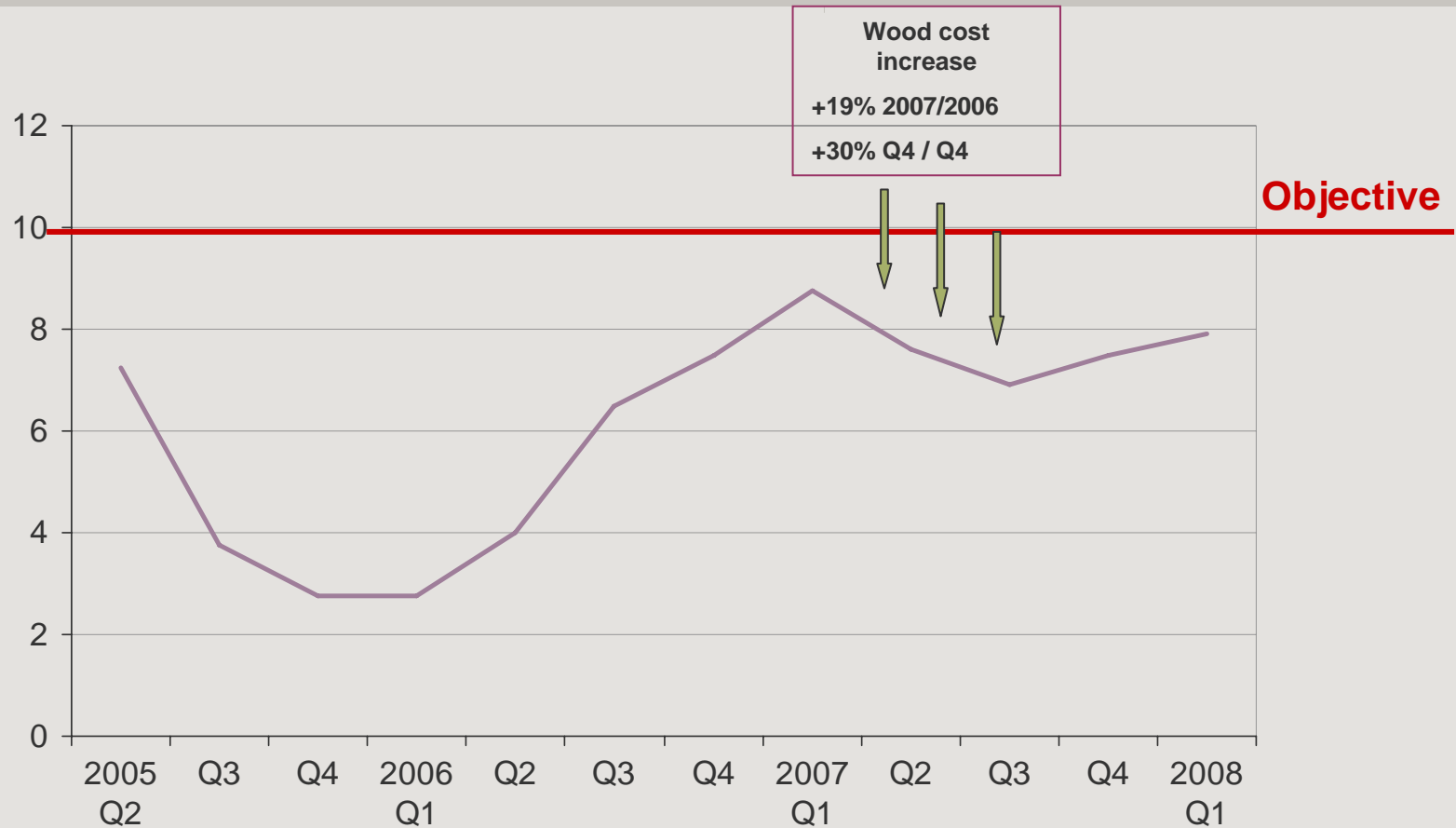
Financial objectives

- » Long term organic sales growth rate of at least 3%
- » An EBIT margin of 10% as an average for a business cycle
- » Investments should give a return well above WACC
- » Net debt to equity 0,6-0,9
- » Dividends 50% of net profits over a business cycle

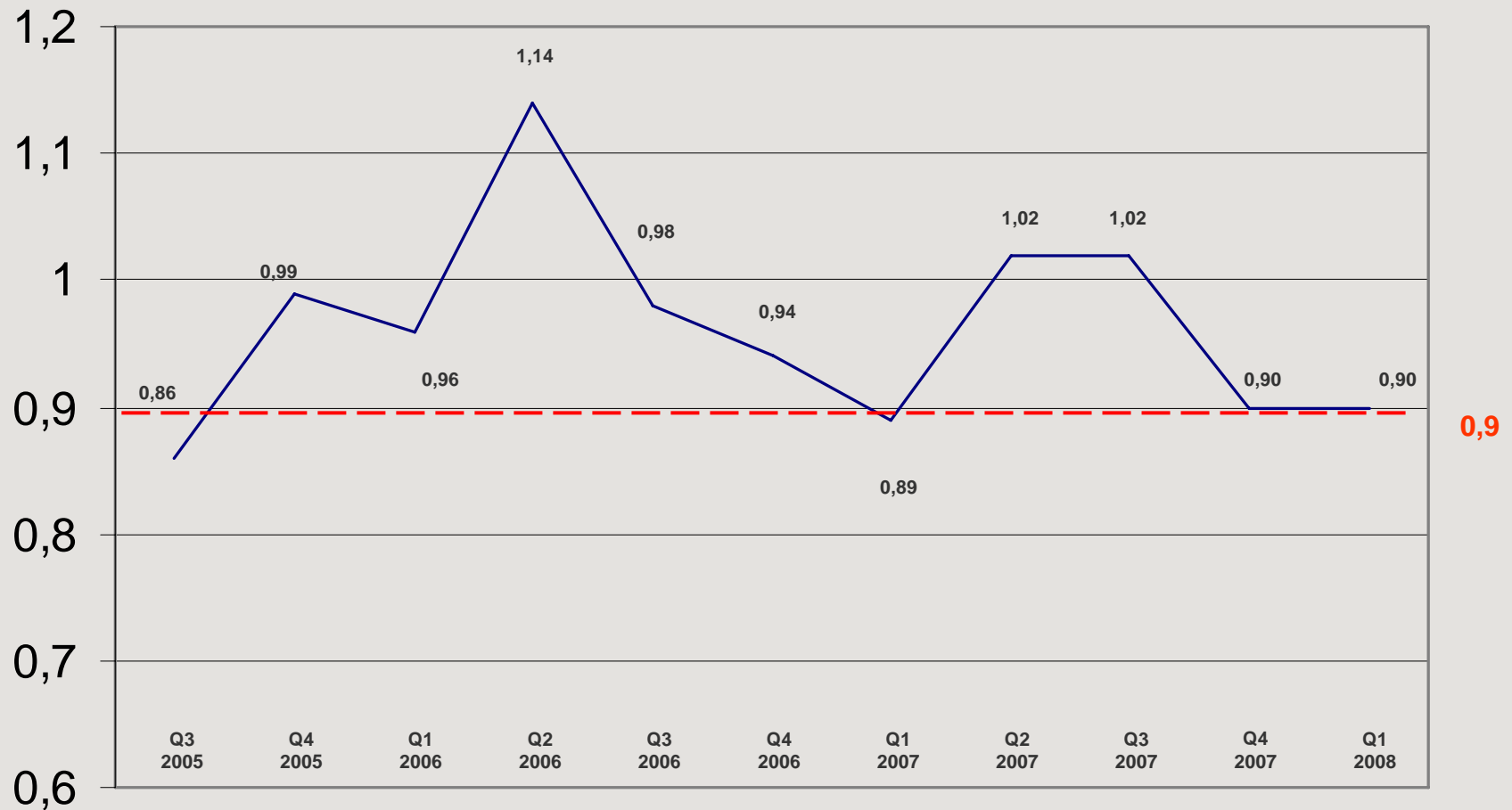


EBIT-margin development

Rolling 12 months figures, excl. one time costs 2005

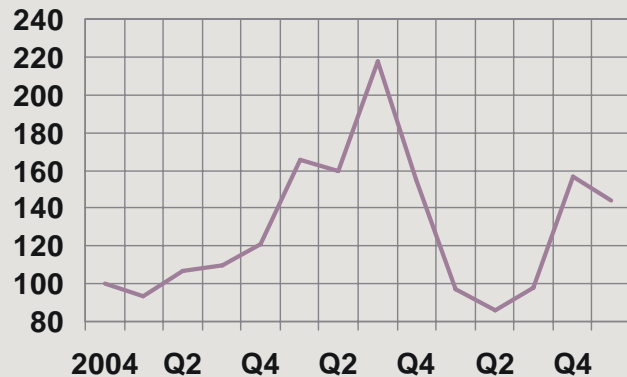


D/E ratio development



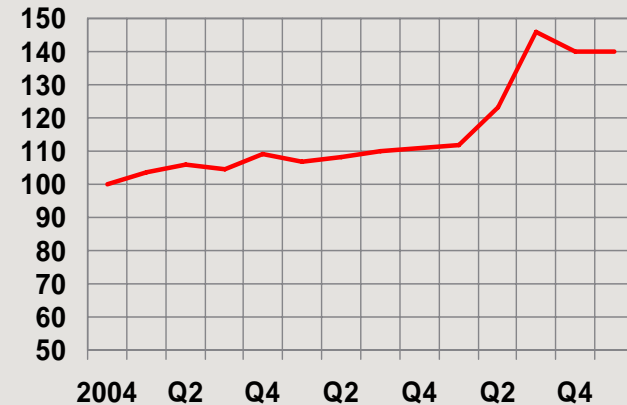
Market prices affecting result

Electricity index (Sweden*)



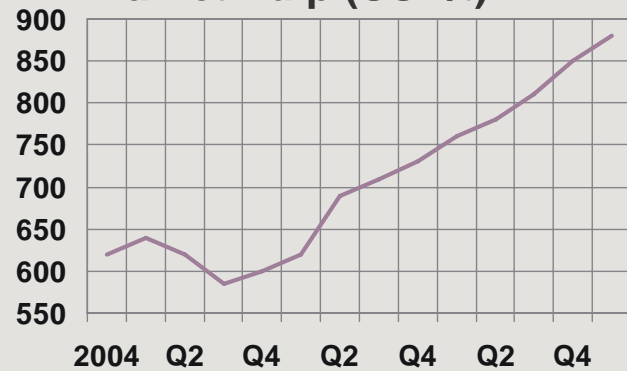
Source: Nordpool. *Price area Sweden

Wood price index

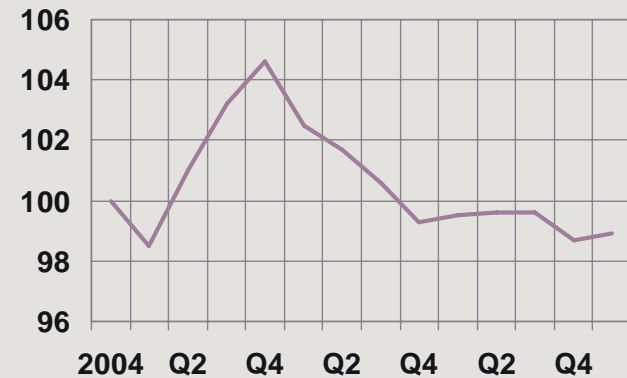


Source: Billerud

Market Pulp (USD/t)



TCW index



Source: Riksbanken

Outlook



Outlook

- Economic cycle difficult to predict and weakening in some markets cannot be ruled out
- Cost of wood materials has so far in 2008 remained at the high level established in the second half of 2007
- Further measures aimed at reducing costs. Expected reduction of MSEK 150 annually by the end of 2009



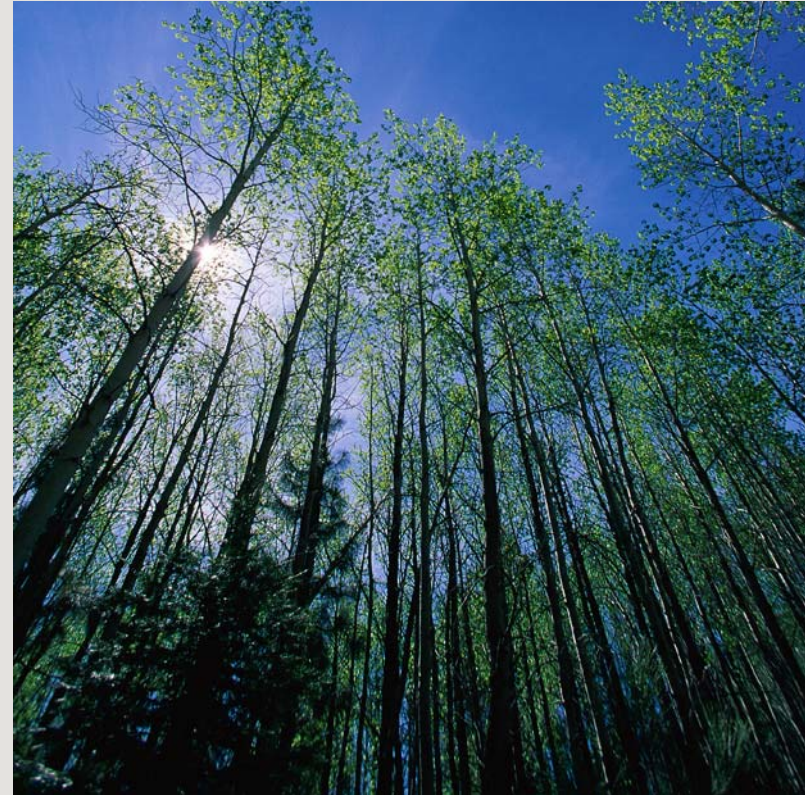
Additional measures to reduce costs

- Expected effect MSEK 150 annually by end of 2009, MSEK 50 by end of 2008
- Will be achieved in variable costs attributable to energy efficiency and wood consumption, but also within the administration process
- Requires investments of MSEK 50



Environmental concerns impacts demand

- Producers and consumers increasingly recognizing more environmental benefits of paper
- Paper proven to have less CO₂ emission than other packaging materials
- Early signs of increased commercial demand for packaging from renewable materials



Q&A

