BILLERUD – the innovative packaging paper company

Handelsbanken's Nordic Small/Mid Cap Seminar – June 21, 2010

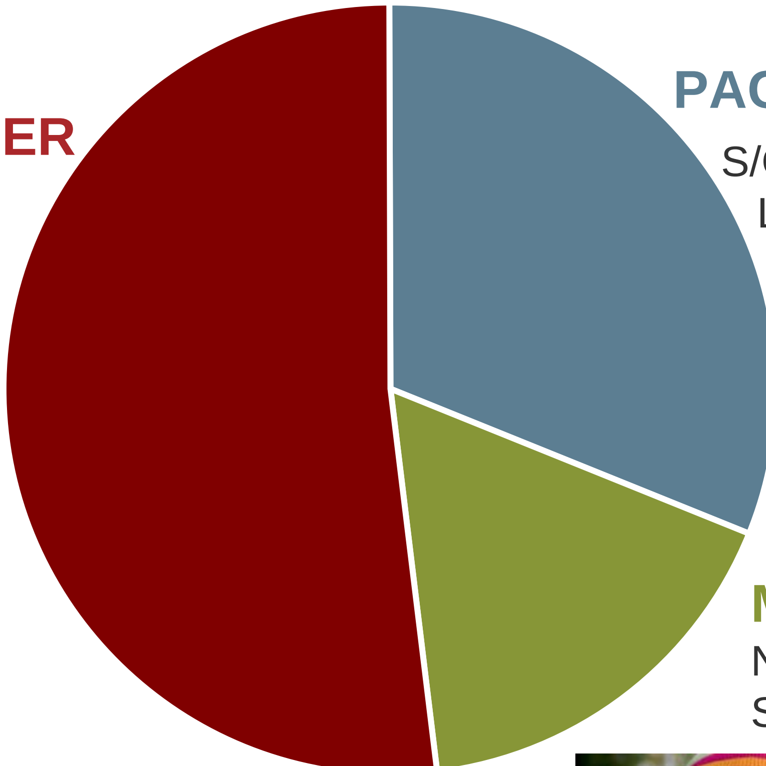
BILLERUD AT A GLANCE

- **Niche player** within **packaging paper**
- Sales of **SEK ~8 billion**
- Strong focus on **innovation**
- **3 integrated pulp and paper** mills in Sweden and **1 paper mill** in UK
- **Owns no forest** land of its own
- **2,300** employees in 10 countries
- **1,100 customers** in 100 countries
- **Europe** accounts for ~**75%** of sales

PACKAGING PAPER SUPPLIER…

PACKAGING & SPECIALITY PAPER

Kraft & Sack Paper



PACKAGING BOARDS

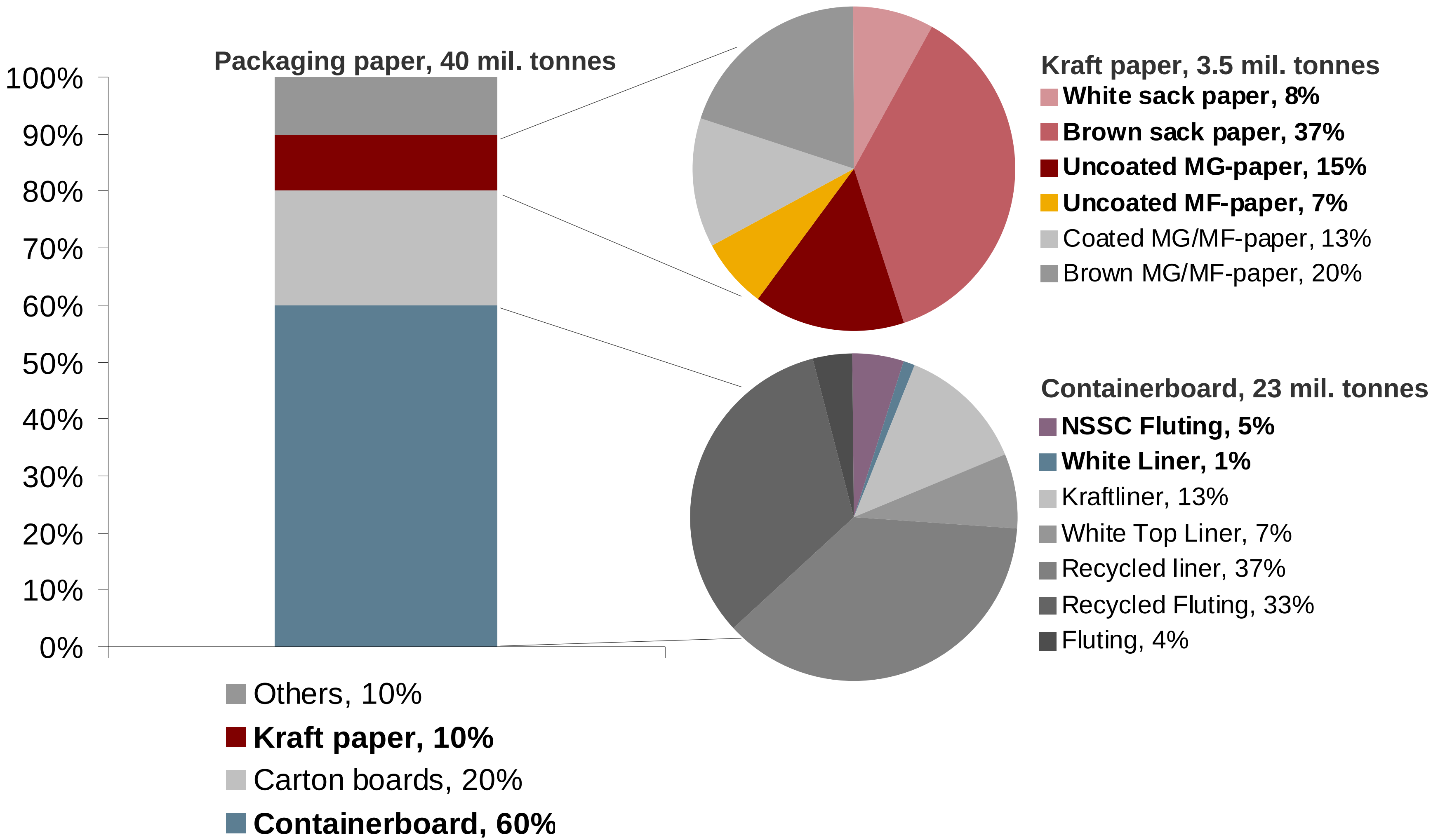
S/C Fluting, Liner,
Liquid Board

MARKET PULP

Nordic Bleached
Softwood Kraft Pulp

Note: Graph shows sales breakdown per business area for 2009.

… WITH A NICHE FOCUS…



Note: European market. Source: European Pulp and Paper Industry, CEPI 2008; Eurokraft 2008; Billerud

… AND STRONG MARKET POSITIONS

	PRODUCT	MARKET SHARE	MARKET POSITION
Kraft paper	White sack paper	46%	No 1
	Brown sack paper	10%	No 1 non-integrated player
	Uncoated MG	54%	No 1
	Uncoated MF	28%	No 2
Container-board	NSSC Fluting*	42%	No 1
	White liner**	70%	No 1

Note: Market share and market position are for the European market.
Source: Eurokraft 2008 and 2009, CEPI Containerboard 2009, Billerud. *100% virgin fibre. **Low grammage.

NOT A DAY WITHOUT PROGRESS!

NULLA DIES SINE LINEA

Billerud's ambition is to become the leader in renewable packaging solutions

BILLERUD

STRATEGY – SOLID PLATFORM TO SECURE GROWTH

Growth

Operational Excellence	**Sales & Business Development**

Operational Excellence

- Cost savings of MSEK 750 achieved 2005-2009
- Continued focus on cost efficiency
- Working capital efficiency

Sales & Business Development

- Drive innovation
- Increase customer value-added
- Focus on solutions

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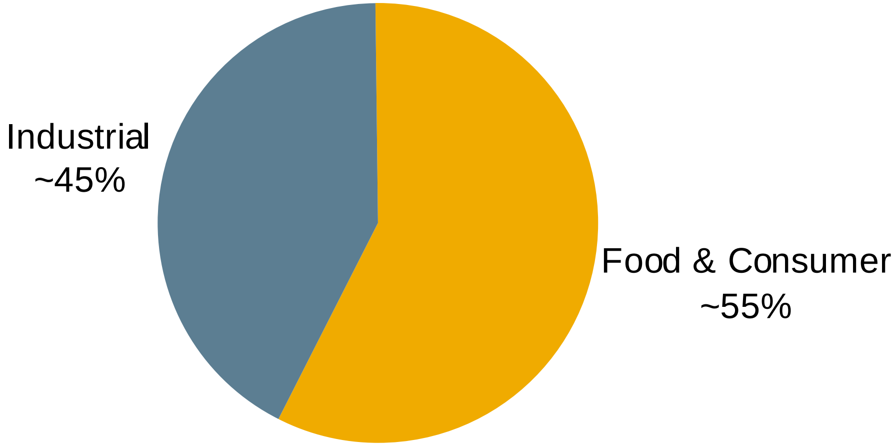
STRATEGIC INITIATIVES

Focus area	Driver/Challenge	Initiatives
FRESH FOOD	• Food worth of EUR 10bn in Europe is destroyed, much due to inadequate packaging	• Fresh Services • Box Lab
FOOD & CONSUMER PACKAGING	• ~15% of the European food packaging market is paper • Environmental awareness an important driver	• Pack Lab • Nine • Sustainable Packaging Solutions • Tenova
SACK SOLUTIONS	• Increase in demand primarily in emerging markets ➢ Growth >10% in Asia	• Sack Lab • Total Customer Value • Technical Consulting • Training & Seminars

END-CUSTOMER FOCUS

BILLERUD → Converters → End-customers → Consumers

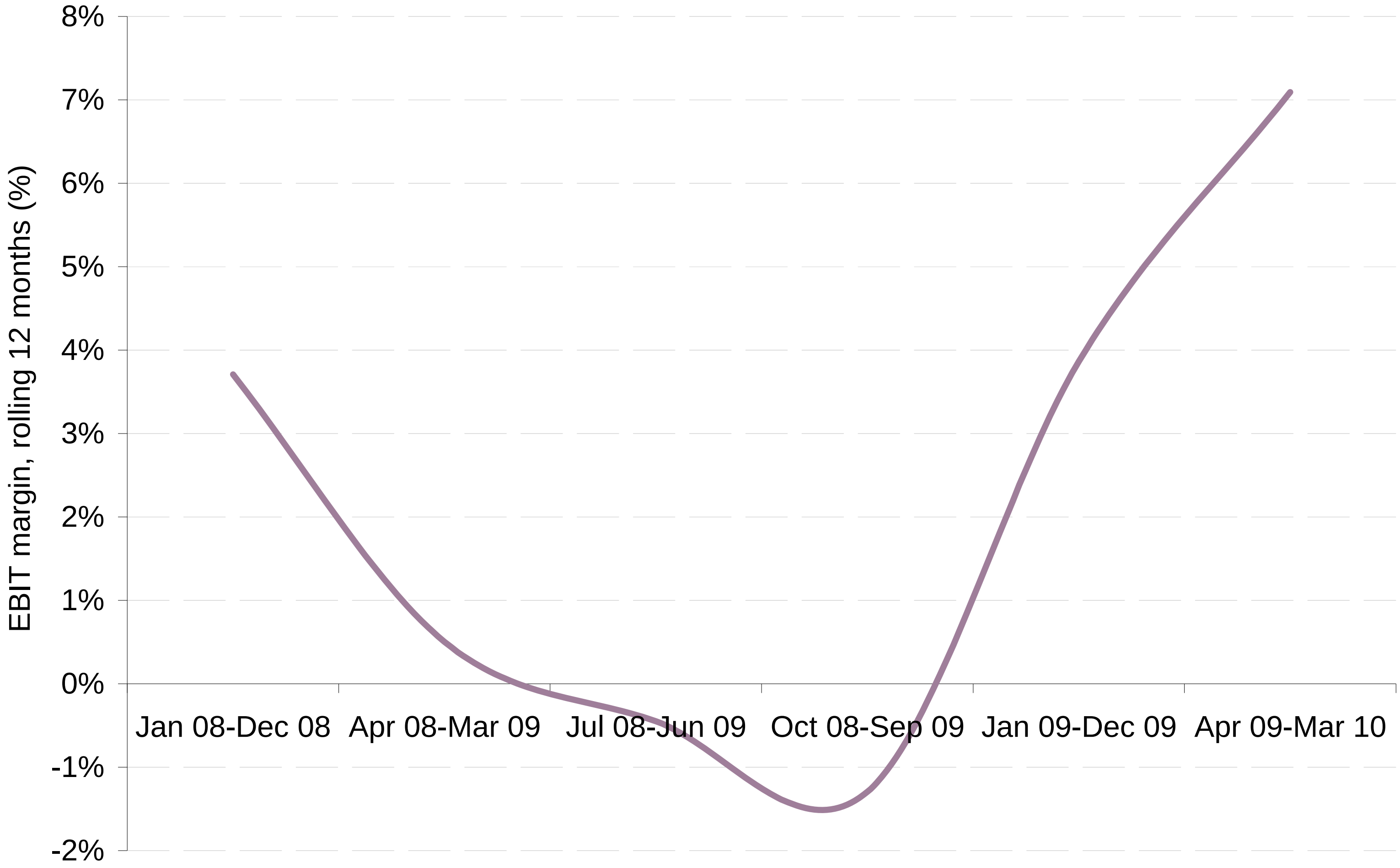
Delivery split



- Increased focus on sustainability
- 87% of European consumers would choose paper if they could choose between paper and plastic packaging*

*Survey IPSOS 7970 people in 7 European countries

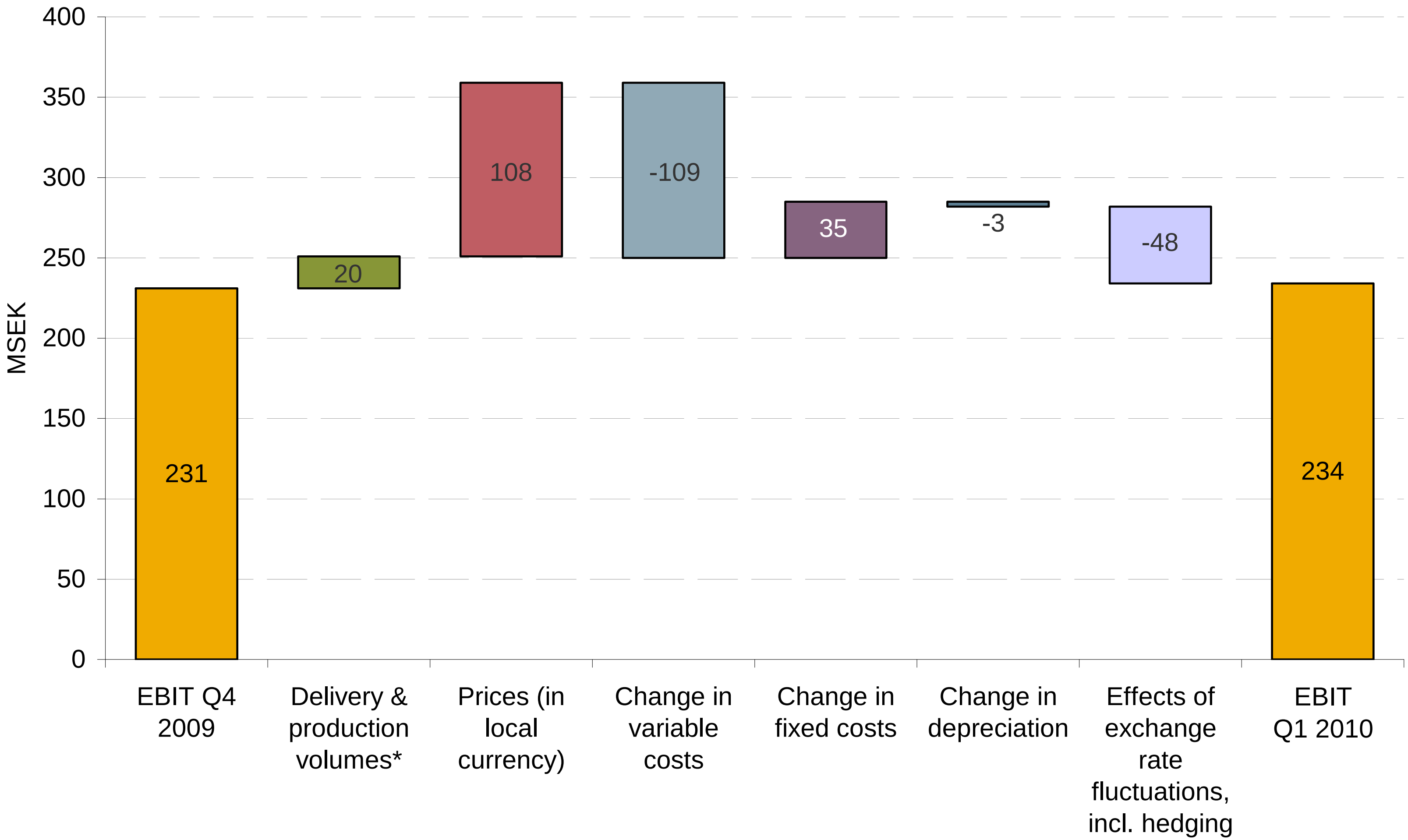
STRONG MARGIN RECOVERY



KEY FIGURES

	Q1 2010	Q4 2009	Q1 2009	*vs. Q4 2009*	*vs. Q1 2009*
Deliveries (‘000 tonnes)	343	336	325	*+2%*	*+6%*
Net sales, MSEK	2,190	2,060	1,900	*+6%*	*+15%*
Operating profit, MSEK	234	231	-37	*+1%*	*N/A*
Operating margin	11%	11%	-2%	*+/-0*	*+13*
Profit/share, SEK	1.52	1.55	-0.53	*-2%*	*N/A*
Debt/Equity ratio	0.24	0.29	1.08	*+0.05*	*+0.84*

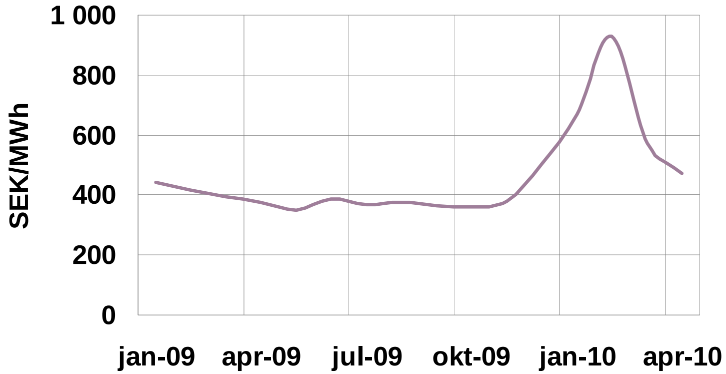
EBIT BRIDGE Q1 2010 vs. Q4 2009



* Includes product mix.

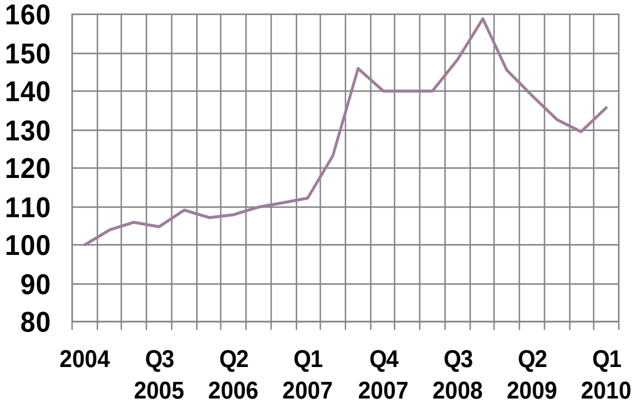
MARKET PRICES AFFECTING RESULT

Electricity prices*



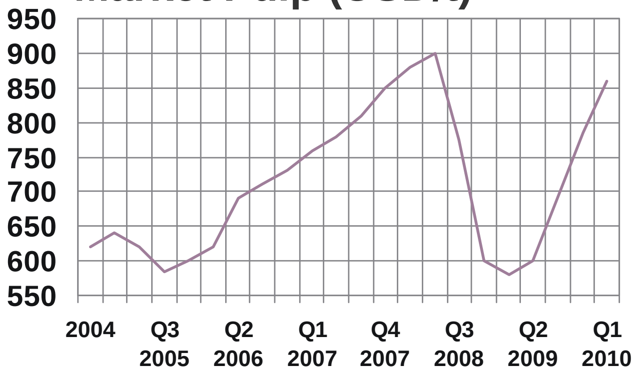
*Spot prices

Wood price index



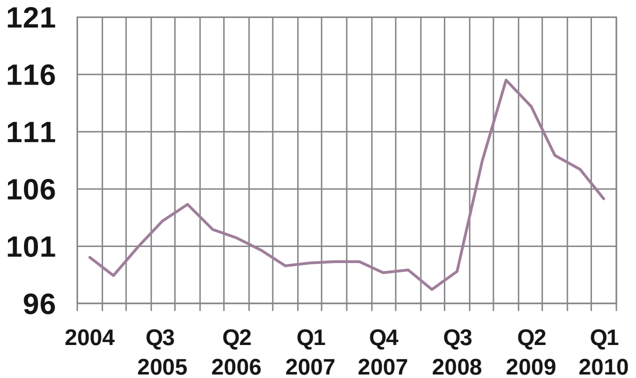
Source: Billerud

Market Pulp (USD/t)



Note: Average price for the quarter

TCW index



Source: Riksbanken

Note: Total Competitiveness Weights index

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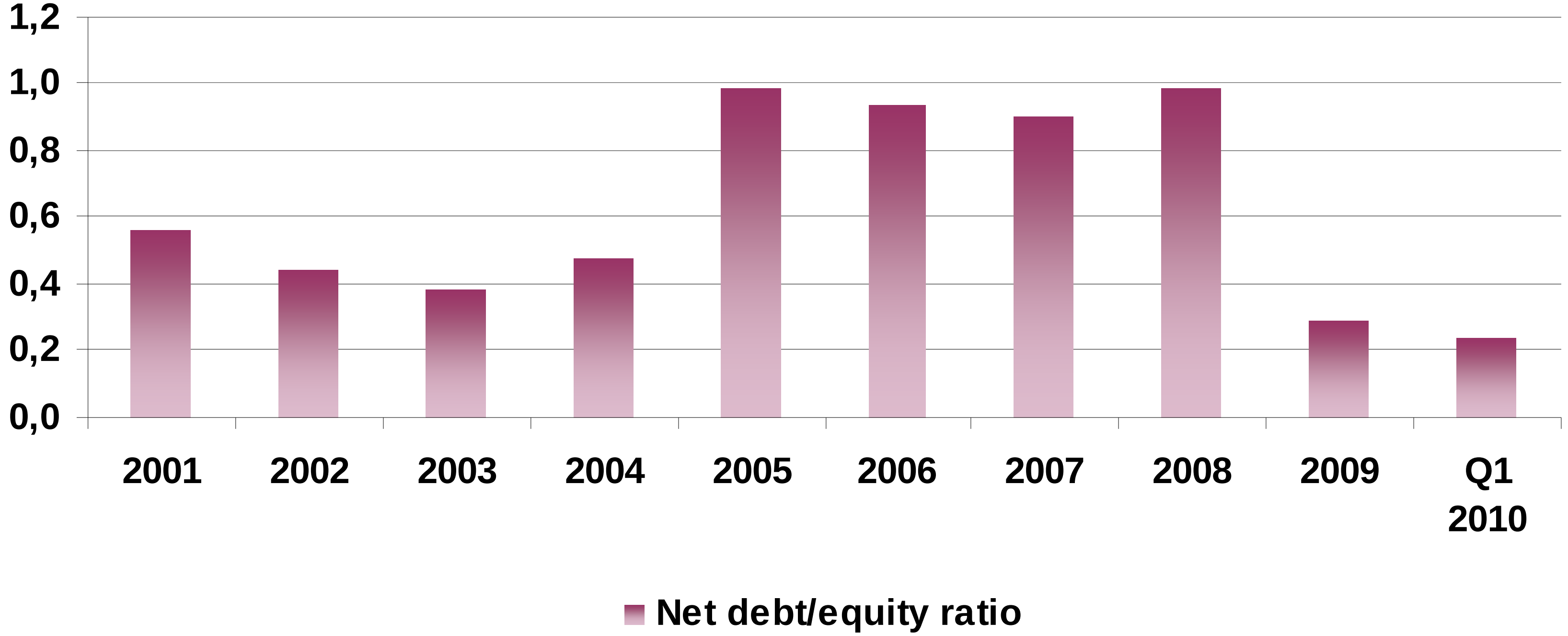
CONTINUED STRONG CASH FLOW

MSEK	Q1 2010	Q1 2009	FY 2009
Operating surplus etc	379	49	862
Working capital change	-88	-163	116
Finance net, taxes	-30	-46	-124
Cash flow from operating activities	**261**	**-160**	**854**
Current net investments	-50	-45	-257
Business combinations	-	-36	-35
Net investments of financial assets	-30	-	-
Operating cash flow	**181**	**-241**	**562**
Rights issue	-	-	925
Other	-5	-15	-22
Change in net debt [1)]	**176**	**-256**	**1 465**

1) Minus equals increase in net debt

NET DEBT/EQUITY RATIO DEVELOPMENT

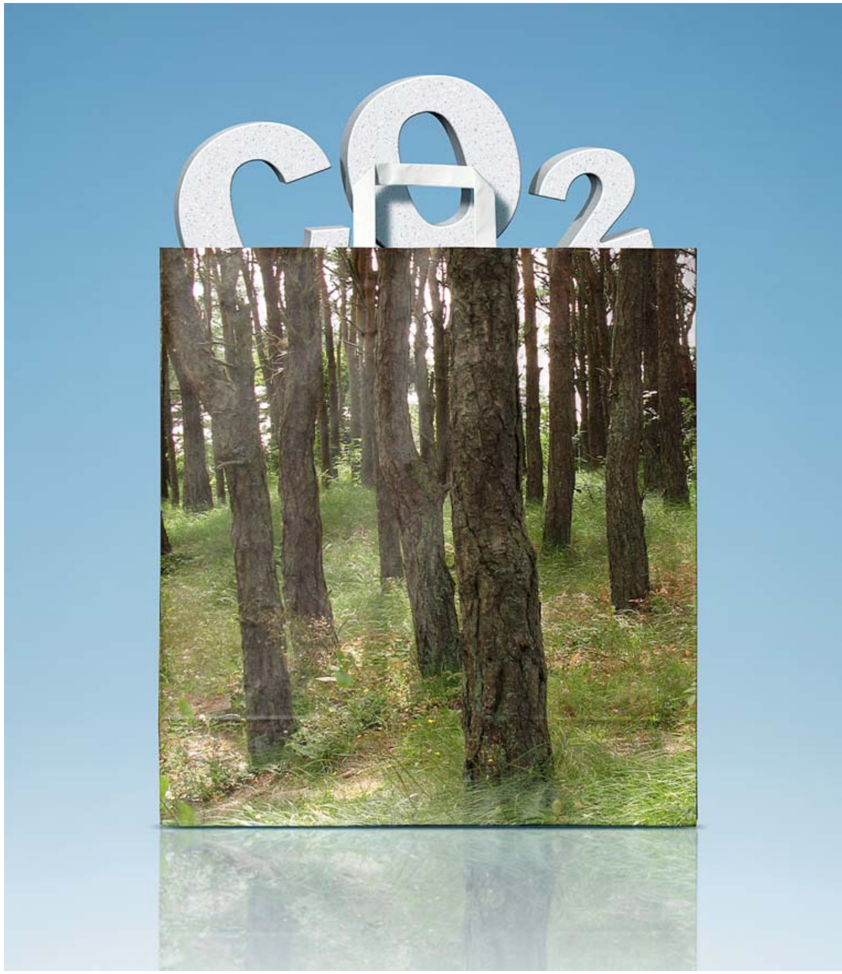


OUTLOOK

- The second quarter of 2010 started with continued good demand within all segments
- Price increases have been implemented for all products and further price increases have been announced in order to gradually restore prices to sustainable levels in the long term
- Strike action during the second quarter will have a negative effect on total deliveries for the full year

KEY MESSAGES

- Leading market niche positions
- Strong customer focus
- Ambition to drive innovation
- Packaging solutions a new offering
- Integrated and cost-efficient pulp and paper mills
- Environmental concern impacts demand
- Full capacity utilisation
- Strong pricing environment



Q&A