AGENDA

• Highlights
• Development by Business Area
• Financials
• Outlook
HIGHLIGHTS IN Q2 2012

• Increase in net sales and sales volumes vs. Q1 2012
• Operating profit of MSEK 161, 7% operating margin
• Increase in EBIT for all business areas vs. Q1 2012
• Non-recurring costs of MSEK 38
• Stable order books at normal levels for packaging paper
• Stable prices in local currency for the Group vs. Q1 2012
• Acquired Finnish operation included as from 1 June 2012
• Combination with Korsnäs announced
INCREASED OPERATING PROFIT FOR ALL BUSINESS AREAS

MSEK

Q1 -12  Q2 -12

-16  100  140  212

56   56   +51%   +51%

67  135

0   100

150

200

250

MP  PB  PSP
ADJUSTED OPERATING PROFIT

<table>
<thead>
<tr>
<th></th>
<th>MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-12</td>
<td>142</td>
</tr>
<tr>
<td>Q2-12</td>
<td>161</td>
</tr>
<tr>
<td>Non-recurring costs</td>
<td>14</td>
</tr>
<tr>
<td>Operating profit</td>
<td>156</td>
</tr>
<tr>
<td>199</td>
<td>38</td>
</tr>
</tbody>
</table>

Note: The chart shows the adjusted operating profit for Q1-12 and Q2-12, with a breakdown of operating profit and non-recurring costs.
THREE BUSINESS AREAS BECOME TWO IN Q3

Packaging & Speciality Paper

Packaging Boards

Market Pulp
PACKAGING & SPECIALITY PAPER
Market situation in Q2 2012

- Stable order situation for kraft paper and somewhat weaker order situation for sack paper at the end of Q2 vs. Q1 2012
- Normal order levels
- Stable prices in local currency with a certain improvement towards end of Q2
- Implementation of price increase continues
PACKAGING & SPECIALITY PAPER
Financials – Q2 2012 vs. Q1 2012

- Operating profit up by MSEK 35
- Higher sales volumes as a result of the acquisition and lower variable costs

<table>
<thead>
<tr>
<th></th>
<th>Q2 -12</th>
<th>Q1 -12</th>
<th>Q2 -11</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, MSEK</td>
<td>1,277</td>
<td>1,091</td>
<td>1,079</td>
<td>4,293</td>
</tr>
<tr>
<td>Operating profit, MSEK</td>
<td>135</td>
<td>100</td>
<td>102</td>
<td>450</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>11</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>
PACKAGING BOARDS
Market situation in Q2 2012

- Somewhat improved order situation
- Normal order levels for most products
- Lower average prices in local currency vs. Q1 2012 due to a changed customer and geographical mix
- Implementation of price announcement for Billerud’s fluting was made more difficult due to falling prices for recycled fibre-based fluting
PACKAGING BOARDS
Financials – Q2 2012 vs. Q1 2011

• Operating profit up by MSEK 11
• Higher sales volumes and lower variable costs compensated for lower average prices and higher fixed costs
MARKET PULP
Market situation in Q2 2012

- Unchanged balance between supply and demand
- Producers’ pulp stocks relatively stable
- Price decreased to ~830 USD/tonne at end of Q2 2012 from ~850 USD/tonne at end of Q1 2012
MARKET PULP
Financials – Q2 2012 vs. Q1 2012

- Operating profit up by MSEK 26
- Improved average prices in local currency, an improved currency situation and lower variable costs

<table>
<thead>
<tr>
<th></th>
<th>Q2 -12</th>
<th>Q1 -12</th>
<th>Q2 -11</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, MSEK</td>
<td>391</td>
<td>436</td>
<td>435</td>
<td>1,752</td>
</tr>
<tr>
<td>Operating profit, MSEK</td>
<td>10</td>
<td>-16</td>
<td>20</td>
<td>64</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>3</td>
<td>-4</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>
Combining two leading Swedish packaging materials companies…

…into a new entity under very strong brand names…

…with the aim to create:

- Strengthened offering of primary fibre-based packaging materials
- Complete and well balanced product portfolio
- Leading positions within cartonboard, containerboard and packaging paper
- Knowledge base to enhance innovation and smarter solutions
- Strong positions in Food & Beverage, Consumer Goods and Industrial
- Annual synergies of MSEK ~300 identified
- Attractive shareholder returns
Q2 2012 IN SUM

- Increase in net sales and sales volumes, partly due to acquisition
- Increase in EBIT for all business areas vs. Q1 2012
- Non-recurring costs of MSEK 38
- Stable order books at normal levels for packaging paper
- Stable prices in local currency for the Group vs. Q1 2012
- Acquired Finnish operation included as from 1 June 2012
- Combination of Korsnäs announced
FINANCIAL INFORMATION
QUARTERLY KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Q2 -12</th>
<th>Q1 -12</th>
<th>Q2 -11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, MSEK</td>
<td>2,440</td>
<td>2,291</td>
<td>2,383</td>
</tr>
<tr>
<td>Operating profit, MSEK</td>
<td>161</td>
<td>142</td>
<td>275</td>
</tr>
<tr>
<td>Operating margin</td>
<td>7%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Profit/share, SEK</td>
<td>1.14</td>
<td>0.94</td>
<td>1.88</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>0.23</td>
<td>-0.04</td>
<td>0.06</td>
</tr>
<tr>
<td>Sales volume (ktonnes)</td>
<td>374</td>
<td>360</td>
<td>335</td>
</tr>
</tbody>
</table>
OPERATING PROFIT BRIDGE Q2 2012 vs. Q1 2012

* Includes product mix.
JANUARY-JUNE KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Jan-Jun 2012</th>
<th>Jan-Jun 2011</th>
<th>vs. 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, MSEK</td>
<td>4,731</td>
<td>4,930</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating profit, MSEK</td>
<td>303</td>
<td>607</td>
<td>-50%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>6%</td>
<td>12%</td>
<td>-6 p.p.</td>
</tr>
<tr>
<td>Profit/share, SEK</td>
<td>2.08</td>
<td>4.16</td>
<td>-50%</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>0.23</td>
<td>0.06</td>
<td>-0.17</td>
</tr>
<tr>
<td>Sales volume (ktonnes)</td>
<td>734</td>
<td>704</td>
<td>+4%</td>
</tr>
</tbody>
</table>
OPERATING PROFIT BRIDGE
JAN-JUN 2012 vs. JAN-JUN 2012

- Includes product mix.

* Sales & production volumes*:
  - Quadrupling of sales & production volumes*.

- Selling prices (in respective sales currency):
  - Slight increase in selling prices (in respective sales currency).

- Effects of exchange rate fluctuations, incl. hedging:
  - Significant decrease in exchange rate fluctuations, incl. hedging.

- Change in variable costs:
  - 105 MSEK increase in change in variable costs.

- Change in fixed costs:
  - Decrease in change in fixed costs.

- Change in depreciation:
  - 1 MSEK increase in change in depreciation.

- Operating profit Jan-Jun 2012:
  - 303 MSEK operating profit Jan-Jun 2012.
## CASH FLOW GENERATION FROM OPERATION

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q2 -12</th>
<th>Q1 -12</th>
<th>Q2 -11</th>
<th>Jan-Jun 2012</th>
<th>Jan-Jun 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus, etc</td>
<td>316</td>
<td>298</td>
<td>421</td>
<td>614</td>
<td>902</td>
</tr>
<tr>
<td>Change in working capital, etc.</td>
<td>-54</td>
<td>22</td>
<td>57</td>
<td>-32</td>
<td>-244</td>
</tr>
<tr>
<td>Net financial items, taxes, etc.</td>
<td>-50</td>
<td>-202</td>
<td>-10</td>
<td>-252</td>
<td>-191</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>212</strong></td>
<td><strong>118</strong></td>
<td><strong>468</strong></td>
<td><strong>330</strong></td>
<td><strong>467</strong></td>
</tr>
<tr>
<td>Current net investments</td>
<td>-1,145</td>
<td>-155</td>
<td>-129</td>
<td>-1,300</td>
<td>-211</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td><strong>-933</strong></td>
<td><strong>-37</strong></td>
<td><strong>339</strong></td>
<td><strong>-970</strong></td>
<td><strong>256</strong></td>
</tr>
</tbody>
</table>
MARKET PRICES AFFECTING RESULT

Electricity index (Sweden*)

Wood price index

Source: Nordpool. *Price area Sweden

Source: Billerud
MARKET PRICES AFFECTING RESULT

Note: Average price for the quarter

Source: Riksbanken *Total Competitiveness Weights Index
CURRENCY SITUATION

- Profit effect of net flow hedging MSEK -5 (52) for Q2 2012 and MSEK 38 (151) for Jan-Jun 2012
- Market value of outstanding contracts not relating to trade receivable was MSEK 24*

### Average hedged currency rates (share of net flow)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Q3 -12</th>
<th>Q4 -12</th>
<th>Q1 -13</th>
<th>Q2 -13</th>
<th>Total 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>9.11</td>
<td>9.06</td>
<td>9.02</td>
<td>9.04</td>
<td>9.07</td>
</tr>
<tr>
<td></td>
<td>(79%)</td>
<td>(53%)</td>
<td>(32%)</td>
<td>(12%)</td>
<td>(44%)</td>
</tr>
<tr>
<td>USD</td>
<td>6.85</td>
<td>6.90</td>
<td>6.95</td>
<td>7.07</td>
<td>6.90</td>
</tr>
<tr>
<td></td>
<td>(79%)</td>
<td>(58%)</td>
<td>(37%)</td>
<td>(12%)</td>
<td>(47%)</td>
</tr>
<tr>
<td>GBP</td>
<td>10.82</td>
<td>10.92</td>
<td>10.87</td>
<td>11.10</td>
<td>10.88</td>
</tr>
<tr>
<td></td>
<td>(89%)</td>
<td>(62%)</td>
<td>(35%)</td>
<td>(16%)</td>
<td>(51%)</td>
</tr>
</tbody>
</table>

Note: Data in table and graph are as of 30 June 2012. *As of 30 June 2012.
OUTLOOK
OUTLOOK

- At the beginning of the third quarter 2012, the order situation in the packaging paper segments was on average normal and is anticipated to remain stable over the next quarter.
- It is expected that price rises in sack and kraft paper, announced in the second quarter 2012, will show through in the second half of 2012.
- Non-recurring transaction costs pertaining to the combination with Korsnäs are thought likely to total approximately SEK 50 million, the major part of which is expected to be charged to the quarter in which the combination will take place. Added to these costs, financing and integration costs of a non-recurring kind will be incurred after the transaction is completed.
- Wood prices are anticipated to be lower in 2012 than in 2011.
EMBRACING THE \{GOODS\}

We believe in embracing what is important to our customers, our company, our employees and the environment. By always giving back more than we take, we are building a company for future generations.