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BILLERUDKORSNÄS IN BRIEF

Leading position  High performance materials  Smarter solutions

Sustainable innovation  Growing markets

Combined financials 2011*

Net sales: SEK 20bn
EBITDA: SEK 3.4bn
EBITDA margin: 17%

*The combined financial information is not financial pro forma information and has not been audited or otherwise reviewed by the company’s auditor.
BILDERUDKORSNAS VS BILLERUD A YEAR AGO
A STABLE AND STRONGER COMPANY

- Sharply reduced pulp market exposure
- Strong platform for growth
- Lower relative currency exposure
- Higher proportion of sales to consumer sectors
- Widened offering
STRATEGY

- Growth
- Renewable packaging materials
- Customer-focused development
- World-class process efficiency
- Customer benefit
- Innovation
- Sustainability
STEADY GROWTH FOR PACKAGING
GLOBAL PACKAGING MARKET

Source: Pira International, 2011
CUSTOMERS WANT SMARTER PACKAGING

- Attracts consumers
- Increases productivity
- Lowers transportation costs
- Reduces waste
- Lowers environmental impact
BUSINESS MODEL

NETWORK

CUSTOMERS

MATERIALS

SOLUTION SERVICES
WORLD-CLASS PACKAGING MATERIALS

PACKAGING PAPER
- Kraft paper

CONSUMER BOARD
- Liquid Packaging Board

CONTAINERBOARD
- Fluting
- Sack paper
- Cartonboard
- Liner
SOLUTION SERVICES

- Comprehensive knowledge of the whole value chain
- Strong technical knowledge of packaging design
  - Expert assistance in the areas of packaging optimisation, print support and conversion support
GLOBAL NETWORK

Packaging manufacturers
Machine manufacturers
Research institutes

More than 1,500 customers and packaging partners in more than 100 countries
BILLERUDKORSNÄS
A LEADING COMPANY WITH A STRONG PLATFORM FOR GROWTH & PROFITABILITY

- Leading positions in packaging paper, consumer board and containerboard
  - Expanded offering in primary fibre-based packaging material
  - Good opportunities for cross-selling

- A strong platform for growth and international expansion
  - Increased share of sales to consumer related businesses
  - Extended knowledge base enables a higher pace of innovation

- Improved conditions for sustainable profitability
  - Annual expected synergies of SEK ~300 million identified
  - Lower relative currency exposure
The combined financial information on this slide is not financial pro forma information, and has not been audited or otherwise reviewed by the companies’ auditors.

1) Includes sales volumes totalling 343 ktonnes of market pulp.
THREE BUSINESS AREAS

PACKAGING PAPER
*Kraft and sack paper*

- Net sales: SEK 8.5 billion
- EBITDA: SEK 1.2 billion
- Sales volume: 1,200 ktonnes

CONSUMER BOARD
*Liquid packaging board, cartonboard and Cup Stock*

- Net sales: SEK 6.1 billion
- EBITDA: SEK 1.3 billion
- Sales volume: 870 ktonnes

CONTAINERBOARD
*Fluting and liner*

- Net sales: SEK 3.1 billion
- EBITDA: SEK 0.6 billion
- Sales volume: 570 ktonnes

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The combined financial information on this slide is not financial pro forma information, and has not been audited or otherwise reviewed by the companies’ auditors. Combined net sales for BillerudKorsnäs in 2011 includes the packaging paper business of UPM. Other activities include external sales of forest raw material and pellets, as well as currency hedges. Packaging paper includes market pulp, which accounts for approximately SEK 1.8 billion of combined net sales of packaging paper in 2011 and 343 ktonnes of the sales volume.
### INCREASED FOCUS ON CONSUMER SECTORS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Billerud pre transaction</th>
<th>Korsnäs, excluding Latgran and Korsnäs Skog</th>
<th>Billerud, excluding the packaging paper business of UPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Beverages</td>
<td>40%</td>
<td>58%</td>
<td>41%</td>
</tr>
<tr>
<td>Industrial</td>
<td>41%</td>
<td>25%</td>
<td>7%</td>
</tr>
<tr>
<td>Consumer &amp; Luxury Goods</td>
<td>7%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Medical &amp; Hygiene</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

FINANCIAL TARGETS
BILLERUDKORSNÄS’ FINANCIAL TARGETS OVER A BUSINESS CYCLE ARE:

- Operating margin > 10%
- Net debt/Equity ratio < 0.9
- Return on Capital Employed > 13%
- Dividend policy 50%
Q&A