FROM COMMODITY TO SPECIALITY THROUGH SMARter PACKAGING

- Strong product portfolio in primary fibres
- Innovation driving the next generation of smarter packaging
- Well positioned for new business opportunities

Value growth CAGR 2-4%
CONTAINERBOARD IN BRIEF
AFTER PACCESS ACQUISITION, SOLUTION SERVICES ACCOUNT FOR 8% OF SALES

PERCENTAGE OF GROUP’S NET SALES
16%
MSEK 3,200

PERCENTAGE OF GROUP’S OPERATING PROFIT
20%
MSEK 260

NET SALES PER MARKETING SEGMENT
- Food and Beverages, 70%
- Consumer and Luxury, 22%
- Industry, 7%
- Medical and Hygiene 1%

Note: Combined financial information for FY 2012.
GOING FROM MATERIALS TO SOLUTIONS DRIVES REVENUE & MARGINS UP

- Successfully responded to markets’ need for better packaging
  - We have the know-how on materials and solutions to make smarter packaging
- Expanded the market through new applications

*2007 average currency rate applied.
RESPONDING TO PACKAGING USERS DEMANDS

Packaging that lowers transport costs
Packaging that reduces environmental impact
Packaging that boosts brands and attracts consumers
STRONG PRODUCT PORTFOLIO IN PRIMARY FIBRES

FLUTING

LINER
WE LOOK BEYOND TRADITIONAL MARKETS
THE MARKET IS LARGER THAN CORRUGATED PACKAGING

Traditional competition

Wooden crates

Traditional, but indirect competition

Recycled based paper and board

Brown kraftliner

Returnable plastic containers

Paper vs paper

Corrugated board optimization

Corrugated box optimization

Smarter packaging solutions

(2 million tonne in Europe) (24 million tonne in Europe)
KNOW-HOW IS KEY TO OFFERING SOLUTION SERVICES
UTILISING OUR MATERIALS FULL POTENTIAL

Compression strength

Bending stiffness

LIGHTER, STRONGER PACKAGING DRIVES MARKET POTENTIAL
VALUE BASED SALES – UNDERSTAND THE TRUE PERFORMANCE

BillerudKorsnäs’ material can make a box 9% lighter while carrying 33% more load for 10 days in 90% r.h.

BillerudKorsnäs’ fluting has a 20% better performance vs brown kraftliner, while kraftliner is 8-10% more expensive.

Pricing potential <30% for fluting

Note: BCT is Box Compression Test i.e. measuring box performance. BKL is brown kraftliner
European flower market USD ~13 bn*
  ~70% of the world flower market

Shipping volume 17 million boxes
  2/3 go through Netherlands and
  1/3 comes from Kenya

BillerudKorsnäs together with its
partner in Kenya is the only supplier of
consistent light and strong quality
boxes

Customer case:
10% cost saving delivered

<table>
<thead>
<tr>
<th>TOTAL COST OF OWNERSHIP</th>
<th>Volume</th>
<th>390 000 yearly box vol.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box Price</td>
<td>Original box $2,10</td>
<td>SoliQ Box $2,22</td>
</tr>
<tr>
<td>Box weight</td>
<td>100%</td>
<td>88%</td>
</tr>
<tr>
<td>Air f. cost x kg</td>
<td>$2,00</td>
<td>$2,00</td>
</tr>
<tr>
<td>Air freight cost</td>
<td>$3,04</td>
<td>$2,70</td>
</tr>
<tr>
<td>TCO x box</td>
<td>$5,14</td>
<td>$4,92</td>
</tr>
</tbody>
</table>

Savings in % of
original box price

TCO Savings on volume $85 800

*Management estimates.
Faster and better cooling
less time in warehouses due to increased ventilation

50% stronger
box construction, using the same amount of fibers

Less energy consumption

Less fruit waste, longer shelf life
OPPORTUNITY 1: CHALLENGE WOOD PACKAGING
NEW BUSINESS OPPORTUNITIES WITH NEW PRODUCTS

Advantages
- Enhanced product protection
- Improved shock absorption
- Not affected by pest regulation
- Printability
- More cost efficient
- Recycable, no need to return

Customer case:
The car company reduced packaging costs by 25-30%
The corrugated producer increased margins from 14% to 40%

Wooden packaging market Europe: EUR 11 billion

Customer case European car manufacturer replacing wooden boxes.
OPPORTUNITY 2: PACKAGING SOLUTION FOR BAG-IN-BOX – A GROWTH SEGMENT
NEW BUSINESS OPPORTUNITIES

Advantages

- > 20% lighter
- Stronger – less or no bulging
- Best possible print result

Estimated global market potential:
Fluting 200 ktonnes – 30% of European market
Coated Liner 123 ktonnes – 50% of European market

Source: www.wineinstitute.org and BillerudKorsnäs’ estimates.
OPENING UP MARKETS OUTSIDE EUROPE
NEW BUSINESS OPPORTUNITIES

Opportunities for primary fibre in Asia

- CAGR (01-11) of ~4%, mainly driven by China
  - Growth is based on recycled fibres
  - Limited amount of recycled fibres available, driving cost up and quality down

BillerudKorsnäs well positioned to capture growth

- Strong portfolio within primary-fibre based materials and solutions
  - New office in Bangkok
  - Additional sales resources in Dubai

*Global containerboard market.
GETTING CLOSER TO THE BRAND OWNERS THROUGH PACCESS ACQUISITION

- Paccess serves international brand owners or their OEM suppliers with solution services, primarily in Asia
  - Set and implement **one** packaging standard
  - Reduce logistic costs and packaging-related waste
  - Safeguard brand appearance

- Sales of MSEK ~260 in 2012
- 80 employees
STRONG SOLUTION SERVICES NETWORK IN ASIA
PACCESS
TRANSFORMING OUR BUSINESS THROUGH SMARTER PACKAGING

INNOVATION
- Packaging know-how
- Superior material performance

CAPACITY MANAGEMENT
- Expanding beyond traditional markets for full utilisation and product mix

INVESTMENTS
- Further expansion of PACCESS
- Quality

GEOGRAPHY
- Profitable expansion outside Europe

Value growth
CAGR 2-4%
DELIVERING SUSTAINABLE PROFITABLE GROWTH