WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE
BILLERUDKORSNÄS IN BRIEF

Leading position

High performance materials

Smart solutions

Sustainable innovation

Growing markets

Proforma financials

Net sales: SEK 20bn
EBIT: SEK 1.3bn
EBIT margin: 6.4%
BILLERUDKORSNÄS VS BILLERUD A YEAR AGO
A STABLE AND STRONGER COMPANY

- **Strong platform for growth**
  - MSEK ~530 in yearly synergy savings

- **Sharply reduced pulp market exposure**

- **Lower relative currency exposure**
  - ~65% of sales
  - ~50%
  - ~30%

- **Higher proportion of sales to consumer segments**
  - 60% → 75%

- **Widened offering**
  - 3 business areas
  - 2,8 million tons

- **MSEK ~530 in yearly synergy savings**
WIDENED AND IMPROVED OFFERING

Note: Graphs show breakdown of sales volume per business area.
### Increased Focus on Consumer Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Billerud post transaction</th>
<th>Billerud pre transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Beverages</td>
<td>57%</td>
<td>40%</td>
</tr>
<tr>
<td>Industrial</td>
<td>26%</td>
<td>41%</td>
</tr>
<tr>
<td>Consumer &amp; Luxury Goods</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Medical &amp; Hygiene</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Note: Percentage of Group’s combined net sales in 2012. For Billerud pre transaction figures are for FY 2011.*
STRATEGY

- Step 1 – integration and synergy realisation
- Step 2 - growth
STEADY GROWTH FOR PACKAGING
GLOBAL PACKAGING MARKET

Source: Pira International, 2011, BillerudKorsnäs
SMARTER PACKAGING DRIVING GROWTH

FRESHER THINKING

SMOOTHER JOURNEYS

GREATER RESULTS

SHARPER BRANDS

BRIGHTER FUTURES
BUSINESS MODEL
A HOLISTIC APPROACH TO CUSTOMER NEEDS
WORLD-CLASS PACKAGING MATERIALS

PACKAGING PAPER
- Kraft paper
- Sack paper

CONSUMER BOARD
- Liquid Packaging Board
- Cartonboard

CONTAINERBOARD
- Fluting
- 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
THREE BUSINESS AREAS

PACKAGING PAPER
Kraft and sack paper

Net sales: SEK 7.8 billion
EBIT: SEK 0.4 billion

CONSUMER BOARD
Liquid packaging board, cartonboard and Cup Stock

Net sales: SEK 6.7 billion
EBIT: SEK 0.6 billion

CONTAINERBOARD
Fluting and liner

Net sales: SEK 3.2 billion
EBIT: SEK 0.3 billion

The combined financial information on this slide for FY 2012 is not financial pro forma information, and has not been audited or otherwise reviewed by the company’s auditor.
ALREADY HALF WAY TO REALISING SYNERGY TARGET
ANNUAL PACE OF MSEK ~260 AS PER END OF Q2 2013
KEY FINANCIALS

<table>
<thead>
<tr>
<th></th>
<th>Q2 2013</th>
<th>vs. Q1 2013</th>
<th>Jan-Jun 2013</th>
<th>vs. Jan-Jun 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, SEKm</td>
<td>4 973</td>
<td>-3%</td>
<td>10 105</td>
<td>+114%</td>
</tr>
<tr>
<td>Adjusted operating profit, SEKm</td>
<td>318</td>
<td>-26%</td>
<td>750</td>
<td>+111%</td>
</tr>
<tr>
<td>Return on capital employed, %*</td>
<td>6%</td>
<td>-1 p.p.</td>
<td>6%</td>
<td>-8 p.p.</td>
</tr>
<tr>
<td>Operating cash flow, SEKm</td>
<td>94</td>
<td>-70%</td>
<td>403</td>
<td>+484%</td>
</tr>
<tr>
<td>Net debt/equity, multiple</td>
<td>0.85</td>
<td>+0.05</td>
<td>0.85</td>
<td>+0.60</td>
</tr>
</tbody>
</table>

*Calculated over the past 12-month period.*
OUTLOOK

- Synergy and savings target of MSEK ~530 by end of 2015
- Market situation for Q3
  - Consumer Board – remain stable and satisfactory
  - Containerboard – stable but with increased uncertainty
  - Packaging Paper – slower than normal why downtime may occur
- Prices in local currency for Q3
  - Expected to stay on current level
  - Risk for price pressure for Packaging Paper
- Wood price – -5% for 2013 vs. 2012
Q&A

Capital Markets Day in Stockholm on 14 November 2013. More info will be posted on www.billerudkorsnas.com