WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE
Target customer segments requiring strong, light and/or pure packaging

74% of sales going to consumer sectors

Innovation challenging other materials and solutions

Well-positioned for profitable growth investments
BILLERUDKORSNÄS IN BRIEF

**NET SALES**
- Europe 73%
- Asia 17%
- Africa 4%
- Middle East 3%
- South America 2%
- Other 1%

**Operating Profit**

- 21.8 SEKbn

**Operating Profit**

- 2.2 SEKbn

**Production Units**

- 8 (SWE, FI, UK)

**Production Capacity**

- 2.9 (Million tonnes)

**Number of Employees**

- 4,200

*Full year 2015. Excluding non-recurring items*
AIMING TO CAPTURE GROWTH FROM GLOBAL MEGATRENDS

DEMOGRAPHIC SHIFTS AND A CHANGING WORLD MAP

SUSTAINABILITY CONNECTING SEVERAL SUBTRENDS

CONSUMERS AND SUPPLY CHAINS ARE CHANGING
PACKAGING PAPER & BOARD MARKET IS GROWING BY 2.2%

Estimated demand CAGR 2013-2030, combined market for cartonboard, containerboard and sack paper. Source: Pöyry 2014
WE TARGET GLOBAL PACKAGING MARKET GROWING BY 3.4%

Estimated CAGR 2014-2024, for all packaging materials. Source: Smithers Pira 2014
WE HAVE ESTABLISHED A CLEAR GROWTH STRATEGY

WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE

PROFITABLE GROWTH

POSITION
Expand geographically and in value chain.

INNOVATION
Increase industry lead.

SUSTAINABILITY
Drive throughout value chain.

EFFICIENCY
Improve continuously.

PEOPLE DRIVE CHANGE
Think new – Feel responsibility – Cooperate – Create value
WE ARE INVESTING TO MOVE FURTHER UP THE VALUE CHAIN TOWARDS BRAND OWNERS

- Price
- Payment terms
- Runability
- Delivery terms

Packaging material
50-85% of the cost

Brand image
Package solution
Sustainability
Shelf appearance

Packaging material
2-5% of the cost
WE ARE EXPANDING THE REACH OF OUR OFFERING
OUR PRESENCE 2013 AND NEW SALES HUBS 2015

Sweden
Finland
Germany
UK
France
Spain
Italy
UAE
China
Singapore
Thailand
US
India
Turkey
South Africa
WE HAVE INVESTED SEK 2 BILLION SINCE 2012 TO INCREASE CAPACITY AND QUALITY LEAD

PACKAGING PAPER

260 SEKm
Brown sack paper
- Improved paper quality restoring leadership
- Increased capacity by 20 000 tonnes

CONSUMER BOARD

1600 SEKm
Liquid Packaging Board Cartonboard
- Improved quality
- Increased capacity by 200 000 tonnes

CORRUGATED SOLUTIONS

180 SEKm
S/C fluting
- Improved quality enhancing leadership
- Increased capacity by 40 000 tonnes
WE ARE PLANNING TO INVEST MORE THAN SEK 5 BILLION…

1. Moving unintegrated Tervasaari MG paper machine to Skärblacka and making it integrated to the pulp production.

2. Investing in value adding surface treatment capacity at existing MG paper production in Skärblacka.

3. a) Building new board machine at the production unit in Gruvön with capacity of approx. 500,000 t/a of liquid packaging board, cartonboard, food service board and white kraftliner.
   b) Closing paper mill with current capacity of approx. 300,000 t/a* of kraft paper and liner.

4. Moving production of white kraftliner from Gävle to new board machine in Gruvön.

5. Shifting profitable kraft paper volumes from Gruvön to Karlsborg, Skärblacka and Pietarsaari to strengthen product mix.

* Approximately 40% kraft paper and 60% liner.
...DURING NEXT THREE YEARS...

- Decision on moving Tervasaari machine: Q2 2016
- Decision on new board machine in Gruvön: Q4 2016
- Possible production start on MG machine in Skärblacka*: 2018
- Possible production start on board machine in Gruvön*: 2019

*Subject to feasibility study results
Focusing on growth segments growing by 2-4% per year
Decreasing volumes on oversupplied markets

Increasing volumes on growing Liquid Packaging Board and Cartonboard markets

Expanding solution based sales to brand owners
Exiting oversupplied white liner market

Improved underlying EBITDA > 1000 SEKm when fully implemented
Continued organic growth with 3-4% per year

PACKAGING PAPER
CONSUMER BOARD
CORRUGATED SOLUTIONS
M&A MAY BOOST LONG-TERM GROWTH

- We have the financial capacity to add M&A growth to organic growth
- We have proven experience in merging businesses and quickly extracting synergies
- Bolt-on acquisitions with synergy potentials are currently the most interesting candidates
INNOVATION WILL FURTHER BOOST TOP LINE AND MARGINS

Proportion of sales accounted for by new products

2014: 14%
2015: 17%
2020 Target: 20%

+2pp average margin improvement on new products
INVESTING IN INNOVATION – ON THREE LEVELS

2015 vs 2013:
- 2x # employees
- 5x # projects
- 180% increased spend

R&D and product development

2013

R&D and product development

Innovation agenda

Challenger products

2015
INNOVATION PROVIDES WORLD LEADING SUSTAINABLE ALTERNATIVES

Through our products…

Environmental impact paper vs plastic\(^1\)

50-70 % lower CO\(_2\)

… and through our actions

---

\(^1\) Life cycle assessment, Comparative study of virgin fibre based packaging products with competing plastic materials. IVL, 2015.
THREE BUSINESS AREAS

PACKAGING PAPER

% of business area sales volume:
Kraft paper 60%
Sack paper 40%

CONSUMER BOARD

% of business area sales volume:
Liquid packaging board 85%
Cartonboard 15%

CORRUGATED SOLUTIONS

% of business area sales volume:
Fluting 60%
Liner 40%
PACKAGING PAPER

SELECTIVE GROWTH

Asset transformation for increased profitability
Development of new business models
Expansion to growing markets

0-4% CAGR

MAIN GROWTH DRIVERS

- Population growth in emerging markets drives demand for food and building materials packaging
- Ageing population drives demand for medical packaging
- Environmental awareness provides opportunities to substitute plastic packaging
- Global cement demand CAGR 5.0%¹
- Global food packaging demand CAGR 3.5%²

NET SALES
SEKm 8 552
EBIT
SEKm 971
SALES VOLUME
kTON 1 163

% of Group
39%
38%
43%

Full year 2015

CONSUMER BOARD

VOLUME GROWTH

- Attractive market providing growth opportunities
- Investments for volume growth
- Innovation with customers and brand owners

4-5% CAGR

MAIN GROWTH DRIVERS

- High urbanization rate, primarily in Asia, drives demand for liquid packaging
- Change in consumer behavior drives demand for smaller packages
- Global liquid packaging board demand CAGR 3.4%\(^1\)
- Global cartonboard demand CAGR 4.0%\(^2\)

% of Group

NET SALES
SEKm
8 006

EBIT
SEKm
954

SALES VOLUME
kTON
1 065

Full year 2015

CORRUGATED SOLUTIONS

VALUE GROWTH

- Strong product portfolio setting market standard
- Integrating new business model
- Increasing sales to brand owners
- 2-4% CAGR

MAIN GROWTH DRIVERS

- Increasing e-commerce and fresh food consumption
- Package differentiation
- Changing supply chains require simplification of packaging solutions
- Global containerboard demand CAGR 2.6%¹

NET SALES
SEKm 3 329

EBIT
SEKm 551

SALES VOLUME
kTON 506

Full year 2015

¹ Estimated CAGR 2013-2025. Source: Pöyry 2014
2015 - MEETING OUR TARGETS
NET SALES GROWTH 5% YOY, ADJUSTED OPERATING PROFIT +12% YOY
2015 - MEETING OUR TARGETS
STRONG CASH FLOW, REDUCED WORKING CAPITAL

OPERATING CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>Q4 14</th>
<th>Q4 15</th>
<th>Jan-Dec 14</th>
<th>Jan-Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEKm</td>
<td>427</td>
<td>360</td>
<td>1739</td>
<td>1957</td>
</tr>
</tbody>
</table>

WORKING CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of net sales</td>
<td>13</td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>
2015 - MEETING OUR TARGETS
REACHING ROCE TARGET AND DECREASING ND/E

ROCE

Jan-Dec 14: 11%
Jan-Dec 15: 15%

NET DEBT/EQUITY

2014: 0.67
Q3 15: 0.46
2015: 0.40
**NEW FINANCIAL TARGETS TO SUPPORT OUR GROWTH STRATEGY**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth</td>
<td>3-4% per year</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 13%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>&gt; 17%</td>
</tr>
<tr>
<td>Net Debt / EBITDA</td>
<td>&lt; 2.5</td>
</tr>
<tr>
<td>Dividend policy</td>
<td>Distribute 50% of net profit as dividend</td>
</tr>
</tbody>
</table>

* Valid from 2016
SUMMARY

- Global trends imply major growth opportunities
  - Sustainability, demographic shifts, digitalization and changed consumer behavior
- We invest in all of our four strategic pillars:
  - Position expansion, Innovation, Sustainability and Efficiency
- We have set out plans to increase profitability and secure growth
- Business area strategies support organic growth targets
  - Value growth, Selective growth and Volume growth
- Our balance sheet allows organic growth and M&A
- New financial targets to support growth strategy
APPENDIX
SUCCESSFUL INTEGRATION HAS ENABLED A STRONG PLATFORM FOR GROWTH

- Packaging focused materials and solutions provider
- Broader product portfolio
- Higher portion of sales to consumer segments
- Annual synergies of approximately SEK 530 million
- Sharply reduced pulp market exposure
- Lower relative currency exposure
GLOBAL PACKAGING MARKET

GLOBAL PACKAGING MARKET, BY REGION
- Asia, 38%
- Europe, 27%
- North America, 22%
- South and Central America, 5%
- Middle East, 3%
- Africa, 2%
- Pacific Region, 2%

GLOBAL PACKAGING MARKET, BY MATERIAL
- Paper and board, 36%
- Hard plastics, 22%
- Flexible materials excl. Paper, 16%
- Metals, 14%
- Glass, 7%
- Other, 5%

1. Source: Smithers Pira 2014
SALES PER REGION

PACKAGING PAPER
- Europe 70%
- Asia 14%
- Africa 7%
- South America 4%
- Middle East 2%
- Other 3%

CONSUMER BOARD
- Europe 69%
- Asia 22%
- Middle East 5%
- Africa 2%
- South America 2%

CORRUGATED SOLUTIONS
- Europe 72%
- Asia 19%
- Africa 5%
- South America 2%
- Other 2%

All figures relate to sales in 2015
COST STRUCTURE

- No significant forest assets
- Purchases made from handful of major suppliers
  - Bergvik Skog, Holmen, Mellanskog, Stora Enso and Sveaskog
  - Large amount of private land owners in Central and Northern Sweden
- The majority of wood raw materials acquired locally
- About 20% of the wood requirement is imported
  - Majority from the Baltics

All figures relate to cost structure 2015
## SENSITIVITY ANALYSIS

### IMPACT ON PROFIT/LOSS BEFORE TAX

<table>
<thead>
<tr>
<th>Variable</th>
<th>Change</th>
<th>SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume</td>
<td>+/- 10%</td>
<td>+/-900</td>
</tr>
<tr>
<td>Exchange rate, SEK(^1)</td>
<td>+/- 10%</td>
<td>+/-640</td>
</tr>
<tr>
<td>Fibre prices</td>
<td>+/- 10%</td>
<td>+/-700</td>
</tr>
<tr>
<td>Price of electricity(^2)</td>
<td>+/- 10%</td>
<td>+/-30</td>
</tr>
<tr>
<td>Interest rate on loans(^3)</td>
<td>+/- 1 percentage point</td>
<td>+/-43</td>
</tr>
</tbody>
</table>

1 Excluding effects of currency hedging.
2 Excluding effects of electricity price hedging.
3 Excluding effects of interest hedging.
DEBT MATURITY

DEBT MATURITY PROFILE

As per 2015-12-31
HISTORIC CAPITAL ALLOCATION FOCUSED ON DIVIDEND AND DEBT REDUCTION

CAPITAL ALLOCATION, 2013 - 2015

- Cash generated: 8,600 SEKm
- Divestments of assets: 900 SEKm
- Invested in asset base: 4,400 SEKm
- Distributed to shareholders: 1,500 SEKm
- Change in net debt: 3,600 SEKm
CAPITAL ALLOCATION FOCUSES ON GROWTH
WE HAVE CLEAR PRIORITIES

1. Maintain a capital structure and liquidity position that secure execution of dividend policy

2. Investing in organic growth based on the strategy

3. M&A to support strategy

4. Excess capital return to shareholders
PRODUCTION UNITS

SWEDEN
Gävle, 725 ktonnes
Gruvön, 685 ktonnes
Frövi/Rockhammar, 470 ktonnes
Skärblacka, 420 ktonnes
Karlsborg, 300 ktonnes

FINLAND
Pietarsaari, 200 ktonnes
Tervasaari, 100 ktonnes

UNITED KINGDOM
Beetham, 45 ktonnes

Total production capacity

2 945 Thousand tonnes

All figures relate to production capacity 2015
BILLERUDKORSNÄS SHARE

Symbol: BILL
Trading platform: Nasdaq Stockholm
IPO: November 20, 2001

Share performance 2015

Share performance 2004-2014
OWNERSHIP STRUCTURE

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares</th>
<th>Percent of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRAPAG Beteiligungsholding AG</td>
<td>31 300 000</td>
<td>15.1</td>
</tr>
<tr>
<td>AMF Insurance &amp; Funds</td>
<td>13 603 075</td>
<td>6.6</td>
</tr>
<tr>
<td>Swedbank Robur Funds</td>
<td>8 764 343</td>
<td>4.2</td>
</tr>
<tr>
<td>Fourth Swedish National Pension Fund</td>
<td>6 199 261</td>
<td>3.0</td>
</tr>
<tr>
<td>Handelsbanken Funds</td>
<td>4 567 269</td>
<td>2.2</td>
</tr>
<tr>
<td>Lannebo Funds</td>
<td>4 443 388</td>
<td>2.1</td>
</tr>
<tr>
<td>Norges Bank Investment Management</td>
<td>4 242 873</td>
<td>2.1</td>
</tr>
<tr>
<td>DFA Funds (USA)</td>
<td>4 043 430</td>
<td>2.0</td>
</tr>
<tr>
<td>Alecta</td>
<td>4 000 000</td>
<td>1.9</td>
</tr>
<tr>
<td>Catella Funds</td>
<td>3 705 248</td>
<td>1.8</td>
</tr>
<tr>
<td>Total 10 largest shareholders</td>
<td>84 888 887</td>
<td>41.0</td>
</tr>
<tr>
<td><strong>Total excluding share buy-backs</strong></td>
<td>206 951 152</td>
<td>100.0</td>
</tr>
<tr>
<td>The company’s own bought-back shares</td>
<td>1 268 682</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>208 219 834</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Ownership structure per 2015-12-31

- Foreign shareholders. 44.5%
- Swedish mutual funds, 23.3%
- Swedish individuals incl. closely held companies, 19.4%
- Swedish institutions, 12.8%