



BILLERUD

INTERIM REPORT **JANUARY - MARCH 2009**

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Renewable for the future

The acquisition of Tenova Bioplastics strengthens Billerud's expertise in renewable packaging

Billerud has further strengthened its expertise in renewable packaging through the acquisition of Tenova Bioplastics AB, a bioplastics development company based in Norrköping, Sweden, that produces compostable bags made of bioplastics, among other products. The acquisition fits well into Billerud's long-term strategy to be a leader in the development of sustainable packaging solutions.

Bioplastics will be a good complement to paper for renewable packaging, and the combination of paper with a barrier of bioplastic will be very attractive for many different types of packaging. A barrier of bioplastics can replace today's plastic-or aluminium block in many applications, with lower environmental impact as a result.

Submitted for publication at 10.a.m. on 28 April 2009

	Quarter			Full year
	2009 I	2008 IV	2008 I	2008
Net turnover, MSEK	1 900	1 709	2 096	7 792
EBITDA, MSEK	102	-35	337	796
Operating profit/loss MSEK	-37	-165	214	289
Operating margin, %	-2	-10	10	4
Profit/loss after financial items, MSEK	-69	-222	180	124
Net profit/loss, MSEK	-39	-98	130	152
Earnings per share, SEK	-0.76	-1.89	2.52	2.96

January-March 2009 compared with same period in 2008

- Net turnover was MSEK 1,900 (2,096), down 9%.
- Net loss was MSEK -39 (130).
- Earnings per share were SEK -0.76 (2.52).
- Operating loss was MSEK -37 (214), representing a margin of -2% (10).
- Currency hedging had negative effects on operating loss with MSEK -151 (51) compared with if no hedging had been performed.
- During the quarter Billerud refinanced its syndicated credit facility worth MSEK 1,800 and due in September 2010, replacing it with a new, three-year syndicated facility for the same amount and due in April 2012.

January-March 2009 compared with October-December 2008

- Net turnover was MSEK 1,900 (1,709), up 11%.
- Net loss was MSEK -39 (-98), an improvement of MSEK 59.
- Orders for packaging paper improved from a very low level and delivered volumes increased by 15%.
- The lack of balance between supply and demand remained on the pulp market, with continued high inventories, low prices and unsatisfactory profitability.

Outlook for 2009

- Orders have improved compared with the historic low level of the fourth quarter but major uncertainty remains. Due to the weak market and increased competition, prices in local currency have generally fallen.
- An improving balance on the pulp market is expected to give possibilities for increased pulp prices.
- Lower wood prices and a significantly improved currency situation are expected to have positive effects on earnings whereupon old currency hedges will be replaced with new ones, and lower wood prices will make an impact.
- Cost savings are continuing according to plan and are expected to amount to at least MSEK 250 annually by the end of 2009, while investment levels will be reduced to half during 2009.

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Billerud's President Per Lindberg and CFO Bertil Carlsén will present the financial statement at a press conference for analysts and journalists on Tuesday 28 April at 3.30 p.m. Location: Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm.

Comment by Per Lindberg, Billerud CEO

“The operating loss for the first quarter was MSEK -37, which was an improvement on the loss of the fourth quarter of 2008, which was MSEK-165. Despite making a loss and the continued difficult market situation with major uncertainty about the future, we were pleased with some bright spots in the first quarter. An improved order situation and the launch of new products meant that market-related production stops, like the ones carried out in the fourth quarter of 2008, have not been necessary, and this meant that our sales volumes could increase by 12%. Falling wood prices and our own cost savings meant that both fixed and volume-adjusted variable costs were lower than the previous quarter. We have also reduced our financial risk going forward by refinancing and extending our syndicated loan.

Through the acquisition in February of Tenova Bioplastics we have introduced essential competence to our development of packaging solutions for our customers based on renewable and biologically degradable material. Work aimed at strengthening our competence in our niche markets is already bearing fruit as it is easier to maintain volumes and profitability with customers we have deeper co-operation with.

We have thereby completed the first round of the challenging new business climate and we are ready to continue doing what is needed to meet the remaining challenges, before we get back to more normal business conditions.”

Billerud Group

Market

The market situation and demand for Billerud's products remain generally weak due to the economic downturn and financial crisis but there has been an improvement from the very weak situation that arose in the fourth quarter of last year.

Market-related production curtailments and reduced customer inventories in the fourth quarter have produced improved order books and increased deliveries of sack paper in the first quarter. The market for Billerud Flute[®], and kraft paper (MG/ MF) for consumer-related products, has been relatively stable in terms of demand, but with increased price pressure in respective sales currency. The market for medical kraft paper remained good and the order situation improved.

The pulp market still suffers from major imbalance. However, global inventories of market pulp began to decrease during the first quarter. Demand remained weak. These conditions apply for market pulp in general and also for long-fibre sulphate pulp (NBSK), which Billerud produces. Within the long-fibre sulphate pulp market, new capacity closures have been announced in March-April 2009 corresponding to 780,000 annual tonnes. Total closures announced since the end of 2008 now amount to around 10% of capacity.

Billerud's total deliveries amounted to 325,000 tonnes in the first quarter, an increase of 12% compared with the fourth quarter of 2008, and a decrease of 4% compared with the first quarter of 2008.

Deliveries of packaging paper amounted to 243,000 tonnes in the first quarter, an increase of 15% compared with the fourth quarter of 2008, and a decrease of 5% compared with the first quarter of 2008.

Billerud's deliveries of market pulp amounted to 82,000 tonnes in the first quarter, an increase of 5% compared with the fourth quarter of 2008, and a decrease of 4%

compared with the first quarter of 2008.

Sales and results

First quarter

Net turnover in the first quarter amounted to MSEK 1,900 an increase of 11% compared with the fourth quarter of 2008, and a decrease of 9% compared with the first quarter of 2008. The reduction was mainly due to lower volumes and lower prices in local currencies.

The operating loss amounted to MSEK -37, a decline of MSEK 251 compared with the corresponding period of last year. The reduction (see table below) is primarily explained by lower volumes and a worsened product mix (-63), higher variable costs compared with the previous year for primarily wood materials and sodium hydroxide (-68), and lower prices in local sales currencies. The lower sales prices (-279) were compensated for in Swedish krona by an improved currency outcome (+256), which however did not fully impact on earnings due to the effect of currency hedging (-202).

The deviation between the first quarter 2009 and the corresponding period previous year is divided as follows (MSEK):

	Jan-Mar 09/ Jan-Mar 08
<i>Delivery and production volumes, including product mix</i>	-63
Sales prices (in respective sales currency)	-279
Change in variable costs	-68
Change in fixed costs	37
Change in depreciation	-16
Effects of exchange rate changes, including hedging*	138
Total change in operating profit/loss	-251

* Effects of exchange rate changes amounting to MSEK 138 are divided into the following components: improved spot rates MSEK 256, currency hedging MSEK -202 and other effects net MSEK 84.

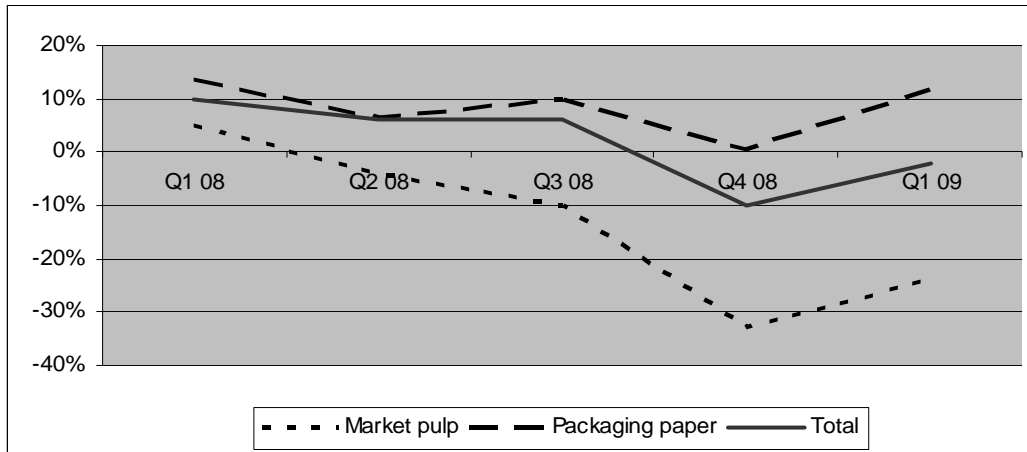
The decrease in operating profit and operating margin compared with the previous year is mostly attributable to the part of Billerud's sales related to market pulp (around 20%), and to the effects of currency hedging. The deterioration for packaging paper (around 80% of sales) is lower.

Compared with the fourth quarter of 2008, operating profit/loss for both packaging paper and market pulp improved but was then reduced by currency hedging, etc.

Product area* (proportion of sales)	Operating margin Jan-Mar 2009	Operating profit/loss MSEK, Jan-Mar 2009	Deviation MSEK, from Jan-Mar 2008	Deviation MSEK, from Oct-Dec 2008
Market pulp (20%)	-24 %	-77	-96	33
Packaging paper (80%)	12 %	194	-33	188
Currency hedging and other	-	-154	-122	-93
Total	-2 %	-37	-251	128

* Market pulp refers to the Market Pulp business area, packaging paper refers to the Packaging and Speciality Paper and Packaging Boards business areas together. Currency hedging and other refers to Currency hedging etc. and Other and eliminations according to the specification on page 16.

Development of operating margin per product area and quarter:



Net financial items were MSEK -32, an improvement of MSEK 2 or 6% compared with the same period in 2008 mainly due to a lower interest rate level. Compared with the fourth quarter of 2008 net financial items improved by MSEK 25, which was mainly due to lower one-off costs and lower interest in general.

The loss before tax was MSEK -69. Estimated tax amounted to MSEK 30. The net loss was therefore MSEK -39.

Significant risks and uncertainties

Billerud's products are generally dependent on the business cycle in terms of both price development and delivery volumes. The Group is exposed to changes in currency exchange rates because most of the revenues are invoiced in foreign currency while most costs are incurred in SEK.

Billerud's mills have higher capacity for sulphate pulp production than is used to produce packaging paper. In order to produce cost-effectively, Billerud is largely dependent on being able to sell the surplus of sulphate pulp as market pulp. The market for pulp is currently out of balance and prices are unsatisfactorily low, which is why sales of market pulp are generating losses. A lengthy unbalanced period for the pulp market and unchanged cost levels may mean a deteriorating financial position for Billerud.

For an analysis of business sensitivity and further details of risks, see pages 57-61 of Billerud's 2008 Annual Report.

On 10 December 2007 the Swedish Environmental Protection Agency announced that it was fining Billerud MSEK 19 for incorrect reporting of emission rights utilised in 2006. Billerud's assessment is that the company has fulfilled its commitments and that a penalty of MSEK 19 is neither proportionate nor backed by law. Billerud has appealed against the decision and the only provision in the 2007 accounts relating to this matter is for an assessed late payment charge of SEK 80,000. During the third quarter 2008 a similar case was considered at the Växjö environmental court and the verdict was that the defendant should pay a fine. This verdict is not prejudicial and Billerud considers that its earlier assessment is unchanged. There is no new information on this matter.

Transactions with related parties

No transactions have been carried out between Billerud and related parties.

Currency hedging

During the first quarter of 2008 net flows were hedged at the following rates: EUR/SEK 9.80 (9.33), USD/SEK 6.69 (6.57), GBP/SEK 11.86 (13.30) and DKK/SEK 1.31 (1.25). Currency hedging had an overall negative effect on profits of MSEK -151 (+51) (compared with if no hedging had been performed).

Billerud's outstanding currency contracts as of 31 March 2009 had a market value of MSEK -205. The share of contracts corresponding to accounts receivable affected results during the period. Other contracts had a market value of MSEK -129.

Billerud hedges around 50% of forecast net flows over the coming 12-month period, but in line with its financial policy the company has the possibility to increase currency hedging to 100% of net flows over the coming 15 months.

In December 2008 a decision was made to extend currency hedging of EUR by securing up to a maximum 100% of flows in the first quarter of 2010, which was implemented at an average rate of EUR/SEK 11.01. In February 2009 the hedged level in USD was also increased, at an average rate of 8.70.

The hedged amount of flows and hedged rates for EUR, USD and GBP as of 21 April 2009 are shown in the table below. DKK accounts for just 0.4% of total hedged flows and is therefore not included in the table.

Hedged amount of currency flows for EUR, USD and GBP, and exchange rate for SEK

Currency		Apr-Jun 2009	Jul-Dec 2009	Jan-Jun 2010	Total 15 months
EUR	Proportion of total flow	99 %	99 %	82 %	92 %
	Rate	9,87	9,83	11,05	10,25
USD	Proportion of total flow	92 %	92 %	41 %	72 %
	Rate	7,53	8,16	8,67	8,10
GBP	Proportion of total flow	89 %	63 %	17 %	50 %
	Rate	12,32	12,30	12,38	12,32

Investments and capital employed

Gross investment including company acquisitions amounted to MSEK 85 (165).

Billerud strengthened its expertise within renewable packaging through the acquisition of Tenova Bioplastics AB, a development company for bioplastic based in Norrköping, Sweden, which among other business supplies compostable carrier bags made of bioplastic. The company's largest customer is ICA, a major Swedish supermarket chain. Tenova had a net turnover of MSEK 35 in 2008 and is a market leader in its field in Sweden.

Billerud's capital employed amounted to MSEK 5,536 as of 31 March 2009, compared with MSEK 5,255 as of 31 December 2008, and MSEK 5,731 as of 31 March 2008.

The return on capital employed over the most recent 12 months was 1% (12). The return on shareholders' equity after tax was -1%. If the effects of currency hedging are

not included, the return on capital employed was 8% (10).

Cash flow and financial position

Cash flow summary

MSEK (positive figure indicates a reduction in debt)	Jan-Mar 2009	Oct-Dec 2008	Jan-Mar 2008
Operating surplus etc	49	-57	346
Change in working capital etc.	-163	426	-256
Net financial items, taxes, etc.	-46	-64	-34
Cash flow from operating activities	-160	305	56
Current net investments	-45	-118	-164
Acquisition of shares in group companies	-31	-9	-
Operating cash flow	-236	178	-108
Other items, not affecting cash flow	-20	6	5
Change in net debt during period	-256	184	-103

Cash flow from operating activities in the first quarter amounted to MSEK -160, compared with MSEK 56 in the same period last year. The decrease was mainly due to an increase in working capital following an increase in accounts receivable related to increased invoicing and lower accounts payable. The increase in working capital should be judged in relation to the sharp reduction of working capital that occurred in the fourth quarter 2008.

Operating cash flow amounted to MSEK -236, compared with MSEK -108 in the first quarter of 2008 and MSEK 178 in the fourth quarter of 2008.

Interest-bearing net debt on 31 March 2009 was MSEK 2,873, compared with MSEK 2,617 on 31 December 2008 and MSEK 2,710 on 31 March 2008. The Group's net debt/equity ratio at the end of the period was 1.08, compared with 0.99 at the end of 2008 and 0.90 on 31 March 2008. According to Billerud's financial targets, the ratio should be between 0.60 and 0.90.

Financing

Billerud's syndicated credit facility amounting to MSEK 1,800 and due in September 2010 was refinanced during the first quarter and replaced with a new, three-year syndicated facility for the same amount and due in April 2012. In connection with this the interest terms and covenants were adjusted to match the current market situation.

The bond loan of MSEK 350 due in June 2009 was refinanced in December 2008 within the framework for the new facility of MSEK 450 which was arranged at that time and which is as yet unutilised.

Interest-bearing loans as of 31 March 2009 amounted to MSEK 2,991. This includes utilisation of MSEK 1,021 of a syndicated bank loan (maximum: MSEK 1,800), MSEK 1,575 of bond loans, utilisation of MSEK 372 of Billerud's commercial paper programme (maximum: MSEK 1,500) and other interest-bearing liabilities amounting to MSEK 23.

Loan	Maximum credit (MSEK)	Utilised (MSEK)	Maturity
Syndicated credit facility	1 800	1 021	April 2012
Syndicated credit facility	450	-	Dec 2011
Commercial paper		372	1-6 months
Bond loan 1		350	June 2009
Bond loan 5		150	April 2010
Bond loan 6		250	June 2010
Bond loan 2		150	Sept 2011
Bond loan 4		300	Feb 2013
Bond loan 7		225	June 2013
Bond loan 8		150	March 2016
Total		2 968	

Personnel

The average number of employees during the first quarter was 2,205, compared with 2,274 during the first quarter last year, i.e. a reduction of 69 employees.

Segment information

The Group's business is controlled and reported in business areas as follows:

- The Packaging & Speciality Paper business area has responsibility for sales of sack paper and kraft paper with a focus on packaged food, paper carrier bags, sack solutions and industrial applications.
- The Packaging Boards business area has responsibility for sales of fluting, liner and liquid board with a focus on fruit and vegetables and consumer goods.
- The Market Pulp business area has responsibility for sales of long-fibre market pulp.
- Other business comprises corporate departments such as corporate headquarters, wood supplies and the sales organisation. Other business includes profit/loss from participation in associated companies/joint ventures Nine TPP AB and ScandFibre Logistics AB, and earnings from the newly acquired Tenova Bioplastics AB. Other business also includes the results from the hedging of net flows in foreign currencies and eliminations.

Fixed assets and capital investments cannot be broken down by business area because the business areas are integrated in terms of production to a considerable extent.

	Packaging & Speciality Paper		Packaging Boards		Market Pulp		Other business		Group total	
	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008
Net turnover	993	1 033	667	644	323	414	-83	5	1 900	2 096
Other income	-	-	-	-	-	-	4	2	4	2
Operating costs, other	-830	-827	-525	-525	-374	-371	-73	-38	-1 802	-1 761
Depreciation and impairment	-69	-65	-42	-33	-26	-24	-2	-1	-139	-123
Profit/Loss from partic. in associated companies/ JV							0	0	0	0
Operating profit/loss	94	141	100	86	-77	19	-154	-32	-37	214
Financial items									-32	-34
Tax									30	-50
Net earnings									-39	130

For further quarterly data see page 16 of this report.

Packaging & Speciality Paper

First quarter

Operating profit was MSEK 94, a decrease of MSEK 47 compared with the same period last year mainly due to lower volumes and increased variable costs. In relation to the fourth quarter of 2008 earnings increased by MSEK 117 due to higher volumes mainly for sack paper, lower variable and fixed costs and an improved currency situation. The operating margin was 9%, compared with 14% for the first quarter of 2008 and -3% for the fourth quarter of 2008. Billerud's mill for speciality paper in Beetham, UK, which was acquired in 2004, has completed a range of measures concerning costs and new products and now that the cost level and demand have stabilised the mill has improved its product profitability so that it is now well above average.

Market development

Market development with regard to orders has improved compared with the historic low levels of the fourth quarter both with regard to sack paper and kraft paper, although there are variations between product segments. There have not been any significant market-related production stops for sack paper after the major stop implemented from the end of December to the 7th of January. Deliveries in the first quarter have been satisfactory, probably mainly because of very low inventories at customers. Demand for kraft paper for the consumer-related segment and for medical paper has held up better than in industrial-related segments. Medical kraft papers and some smaller market niches have good demand and thereby stable or increasing prices in local currencies. As for the rest of the market, there is still price pressure and the level of underlying demand is still affected by great uncertainty. Due to the weak market situation and increased competition for volumes, prices have fallen in local sales currencies. To a large extent low prices have been compensated for by an improved currency situation.

Packaging Boards

First quarter

The operating profit was MSEK 100, an increase of MSEK 14 compared with last year,

mainly due to increased volumes and an improved currency situation. In relation to the fourth quarter of 2008, profit increased by MSEK 71 mainly due to higher volumes, lower costs and an improved currency situation. The operating margin was 15%, compared with 13% in the same quarter of 2008 and 5% in the fourth quarter of 2008.

Market development

The market for corrugated materials is under hard pressure from a surplus of qualities based on recycled fibre. Interest continues to be strong in Billerud's quality-leading, virgin fibre Billerud Flute® (100% virgin fibre S/C fluting) which reduces overall costs for supplies of fresh fruit, among other products. Deliveries climbed somewhat compared with the fourth quarter of 2008 but were lower in comparison with the corresponding quarter of last year. The order situation was relatively stable but price pressure in local currencies increased towards the end of the quarter.

Delivered volumes of Billerud's fully-bleached virgin fibre-based liner increased compared both with the same period last year and the fourth quarter. However, surplus capacity of recycled fibre-based liner in Europe remains, which is why prices continue to be under pressure. Demand for liquid board was stable and deliveries increased compared both with the same period last year and the fourth quarter, with prices remaining stable.

Market Pulp

First quarter

The operating loss was MSEK -77, a reduction of MSEK 96 compared with the same period last year, mainly due to significantly lower prices. Compared with the previous quarter, operating profit increased by MSEK 33, mainly due to lower variable and fixed costs

Market development

The pulp market remained unbalanced during the first quarter. Consumption of paper pulp continued to fall in the first quarter of 2009 and the price for long-fibre sulphate pulp (NBSK) fell further in the quarter from USD 600 per tonne to around USD 580, however levelling out at the end of the period. Within the long-fibre sulphate pulp market, new capacity closures have been announced in March-April 2009 corresponding to 780,000 annual tonnes. Total closures announced since the end of 2008 now amount to around 10% of capacity.

Parent company

Billerud AB includes the Gruvön mill, the sales organisation for the Nordic markets and markets outside Europe, and head office staff.

Net turnover in the first quarter of 2009 amounted to MSEK 771 (949). The operating loss was MSEK -80 (+77), a decrease of MSEK 157 compared with last year, mainly due to negative currency hedges and lower volumes.

The parent company hedges both its own net currency flows, and those of the Group. The parent company's results include the results of these hedging measures. This result amounted to MSEK -151 (+51).

Investment in fixed assets excluding shares amounted to MSEK 19 (63) in the first quarter. The average number of employees was 929 (993). Liquid assets and current investments amounted to MSEK 1,194 (498).

Seasonal variations

Maintenance stops

In addition to continuous maintenance while machines are running, Billerud's mills normally require more extensive maintenance at some point during the year. To perform this maintenance, production of pulp and paper is stopped during the so-called maintenance stop. Completed and planned maintenance stops are shown below.

Mill	2009	2008
Gruvön	No stop 2009	Q 4, 7 days
Karlsborg	Q 3, 10 days	Q 3, 10 days
Skärblacka	Q 3, 8 days	Q 2, 8 days

Maintenance stops at Beetham have an insignificant effect on Billerud's overall earnings.

The effect of the stoppage on earnings varies depending on the extent of measures carried out, their character and the actual length of stoppage.

Other seasonal factors

A significant amount of volumes for Billerud Flute[®] are used to package fruit exports from the Mediterranean region. Demand from this customer group varies with the fruit seasons and is normally highest from September to March. A significant part of Billerud's sack paper and QuickFill[®] sack paper is used to package cement and building materials. Demand for building material in Europe is generally higher from May to October.

Additional measures to reduce costs

During the first quarter of 2008 a decision was taken to carry out a programme of measures within the business in order to reduce Billerud's costs. This work included a review of wood consumption, product recipes and specifications, the production mix, and the identification of additional measures to improve efficiency within production, energy use, as well as improvements in the efficiency of administration processes within the framework of the "One Billerud" project. The implementation of this programme is expected to generate an annual effect of MSEK 150 on earnings compared with cost levels in 2007 and it requires an investment of MSEK 50. The annual rate of implementation at the time of decision was calculated at around MSEK 50 by the end of 2008 and MSEK 150 by the end of 2009. Work has progressed better than expected and as of 31 March 2009 savings of MSEK 163 at an annual rate have been achieved within the framework for these measures. The savings are primarily within variable costs attributable to improved energy efficiency and wood consumption.

Ahead of the approaching economic downturn and a fall in demand, a decision was made in the fourth quarter of 2008 to make further cost reductions of MSEK 100 with a focus on staffing and fixed costs. Measures to achieve these saving have primarily been carried out during the last two quarters. The effects of these savings will mainly be reached during the second half of 2009.

Largest shareholders

As of 31 March 2009 the ten largest shareholders according to Euroclear's register of shares and information from Sanderson Asset Management were as follows (Billerud's ownership of around 1.9 million shares and deposit banks are excluded):

Owner	No. of shares (millions) (shares = votes)	Proportion of shares on market, %
Frapag Beteiligungsholding AG	10.7	20.8
Sanderson Asset Management	2.9	5.5
Clearstream Banking	1.6	3.2
Citibank	1.1	2.1
Proad AB	1.0	1.9
SEB Fonder/SEB Trygg Liv/Securities	0.8	1.6
Norska staten	0.7	1.4
Initia AB	0.7	1.3
Aktie-Ansvar Fonder	0.6	1.1
AB Traction	0.6	1.1
Total 10 largest	20.6	40.1
Total no. of shares on the market	51.5	100.0

The share of foreign ownership was 43.6% of the total shares on the market. The total number of owners (including nominee-registered) was around 118,700. More information about the shareholder structure is available at www.billerud.com/investors.

Distribution of shares

As of 31 March 2009 the distribution of shares was as follows:

Registered amount of shares	53 343 043
Treasury shares	- 1 851 473
Shares on the market	51 491 570

Since the end of 2004 there have been no share buy backs.

2009 Annual General Meeting

The AGM will take place at Nalen, Regeringsgatan 74, Stockholm at 3 p.m. on May 6, 2009. Notification was published in the national press on April 1, 2009.

Outlook

Orders have improved compared with the historic low level of the fourth quarter but major uncertainty remains. Due to the weak market and increased competition, prices in local currency have generally fallen.

An improving balance on the pulp market is expected to give possibilities for increased pulp prices.

Lower wood prices and a significantly improved currency situation are expected to have positive effects on earnings whereupon old currency hedges will be replaced with new ones, and lower wood prices will make an impact.

Cost savings are continuing according to plan and are expected to amount to at least MSEK 250 annually by the end of 2009, while investment levels will be reduced to half during 2009.

Stockholm
28 April 2009
Billerud AB (publ)

The Board of Directors

This report has not been subject to review by the company's auditors.

Future financial reports

Second quarter 2009	23 July 2009
Third quarter 2009	28 October 2009

The information is such that Billerud AB is obligated to publish under the Securities and Clearing Operations Act.

The Billerud Group

Accounting principles

This report is produced in accordance with IAS 34, Interim Financial Reporting, and RR 31, Interim Reporting for Groups. IFRS 8 Operating segments replaces IAS 14 Segment reporting, and applies to annual periods beginning January 1, 2009. IFRS 8 Operating segments indicates what an operational segment is and what information shall be provided about these in the financial statements. This interim report applies the same accounting principles as used in the most recent annual report for 2008, see pages 62-72 and page 87 for definitions of key indicators.

Profit and Loss Account	3 months		Full year	
	Jan-Mar 2009	Oct-Dec 2008	Jan-Mar 2008	Jan-Dec 2008
MSEK				
Net turnover	1 900	1 709	2 096	7 792
Other operating income	4	5	2	15
Total operating income	1 904	1 714	2 098	7 807
Raw materials and consumables	-1 022	-973	-1 049	-3 929
Change in inventories	-28	-41	59	-46
Other external costs	-422	-433	-429	-1 727
Staff costs	-330	-302	-342	-1 309
Depreciation and impairment	-139	-130	-123	-507
Profit/Loss from participation in associated companies and joint ventures	0	0	0	0
Total operating expenses	-1 941	-1 879	-1 884	-7 518
Operating profit/loss	-37	-165	214	289
Financial items	-32	-57	-34	-165
Profit/Loss after financial items	-69	-222	180	124
Tax	30	124	-50	28
Net profit/loss for the period	-39	-98	130	152
Earnings per share, SEK	-0.76	-1.89	2.52	2.96
Earnings per share after dilution, SEK	-0.76	-1.89	2.51	2.96

Statement of comprehensive income	Jan-Mar	Jan-Mar	Full year
MSEK	2009	2008	2008
Net profit/loss for the period	-39	130	152
Other comprehensive income			
Change in translation reserve for the period	4	-7	2
Change in hedging reserve for the period	60	0	-235
Comprehensive profit/loss for the period	25	123	-81

Specification of change in equity	Jan-Mar	Jan-Mar	Full year
MSEK	2009	2008	2008
Opening balance	2 638	2 898	2 898
Comprehensive profit/loss for the period	25	123	-81
Market value of incentive programme	0	0	1
Dividend	-	-	-180
Closing balance, shareholders' equity	2 663	3 021	2 638

Balance sheet	31 Mar	31 Mar	31 Dec
MSEK	2009	2008	2008
Fixed assets	5 786	5 744	5 824
Inventories	1 129	1 007	1 091
Accounts receivable	1 383	1 508	1 294
Other current assets	348	307	270
Liquid funds	303	410	542
Total assets	8 949	8 976	9 021
Shareholders' equity	2 663	3 021	2 638
Interest-bearing liabilities	2 991	2 942	2 976
Interest-bearing provisions, pensions	185	179	183
Non-interest-bearing provisions	35	37	37
Deferred tax liabilities	1 274	1 368	1 254
Accounts payable	958	594	1 019
Other, non-interest-bearing liabilities	843	835	914
Total shareholders' equity and liabilities	8 949	8 976	9 021

Cash Flow Statement	Jan-Mar	Oct-Dec	Jan-Mar	Jan-Dec
MSEK	2009	2008	2008	2008
Operating surplus, etc 1)	49	-57	346	716
Change in working capital, etc.	-163	426	-256	249
Net financial items, taxes, etc.	-46	-64	-34	-174
Cash flow from operating activities	-160	305	56	791
Investment in fixed assets	-54	-118	-165	-613
Acquisition of shares in group companies	-31	-9	-	-9
Disposal of fixed assets	9	0	1	1
Cash flow from investing activities	-76	-127	-164	-621
Change in interest-bearing liabilities	-5	-136	-197	-172
Dividend	-	-	-	-180
Sale of treasury shares, incentive programme	-	-	-	-
Cash flow from financing activities	-5	-136	-197	-352
Total cash flow (= change in liquid assets)	-241	42	-305	-182
Liquid assets, opening balance	542	495	718	718
Exchange rate differences in liquid assets	2	5	-3	6
Liquid assets, closing balance	303	542	410	542

1) The amount for January-March 2009 includes an operating loss of MSEK -37, reversed depreciation of MSEK 139, payment of structural costs of MSEK -2, an increase in pension liabilities of MSEK 1, the net of produced and sold electricity certificates of MSEK -49, and capital gains of MSEK -3. The amount for the period January-March 2008 includes the operating profit of MSEK 214, reversed depreciation of MSEK 123, payment of structural costs of MSEK -5, an increase in pension liabilities of MSEK 3 and the net of produced and sold electricity certificates MSEK 11.

Key indicators	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2008
<i>Margins</i>			
Gross margin, %	5	16	10
Operating margin, %	-2	10	4
<i>Return (rolling 12 months)</i>			
Return on capital employed, %	1	12	5
Return on total capital, %	0	7	3
Return on equity, %	-1	13	5
Return on equity after dilution, %	-1	13	5
<i>Capital structure at end of period</i>			
Capital employed, MSEK	5 536	5 731	5 255
Shareholders' equity, MSEK	2 663	3 021	2 638
Interest-bearing net debt, MSEK	2 873	2 710	2 617
Net debt/equity ratio, times	1.08	0.90	0.99
Net debt/equity ratio after dilution, times	1.08	0.89	0.99
Equity ratio, %	30	34	29
Equity ratio after full conversion, %	30	34	29
<i>Per share</i>			
Earnings per share, SEK	-0.76	2.52	2.96
Average no. of shares, '000	51 492	51 492	51 492
Earnings per share after dilution, SEK	-0.76	2.51	2.96
Average no. of shares after dilution, '000	51 492	51 570	51 492
<i>Per share at end of period</i>			
Equity per share, SEK	51.72	58.68	51.24
No. of shares, '000	51 492	51 492	51 492
Equity per share after dilution, SEK	51.72	58.66	51.24
No. of shares, '000	51 492	51 570	51 492
Gross investments including company acquisitions, MSEK	54	165	613
Company acquisition, MSEK	31	-	9
Average no. of employees	2 205	2 274	2 322

Key indicators, historical	Jan-Mar 2009	Jan-Mar 2008	2008	2007	2006	2005	2004
Net earnings, MSEK	-39	130	152	336	312	-183	509
Earnings per share, SEK	-0.76	2.52	2.96	6.52	6.08	-3.56	9.66
Return on capital employed, %	-1	12	5	11	11	-4	17
Return on total capital, %	0	7	3	7	7	-3	11
Return on equity, %	-2	13	5	12	12	-7	16
Equity ratio, %	30	34	29	31	33	33	43

Parent company

Summarised income statement	Jan-Mar 2009	Jan-Mar 2008	Jan-Dec 2008
MSEK			
Total operating income	780	951	3 443
Total operating expenses	-860	-874	-3 349
Operating profit/loss	-80	77	94
Financial items	-33	-31	-147
Profit/loss after financial items	-113	46	-53
Appropriations	-	-	1 900
Profit/loss before tax	-113	46	1 847
Tax	30	-13	-482
Net profit/loss	-83	33	1 365
Summarised balance sheet			
MSEK	31 Mar 2009	31 Mar 2008	31 Dec 2008
Fixed assets	4 156	4 125	4 162
Current assets	2 860	3 767	2 995
Total assets	7 016	7 892	7 157
Shareholders' equity	2 212	1 398	2 296
Untaxed reserves	-	1 900	-
Provisions	808	420	806
Interest-bearing liabilities	2 967	3 346	2 959
Other liabilities	1 029	828	1 096
Total shareholders' equity and liabilities	7 016	7 892	7 157

Business areas

Billerud's net earnings and operating profit/loss are presented below per business area. The results of the business areas are reported excluding the effects of currency hedging and excluding the effect on profit/loss of revaluation of accounts receivable in foreign currency and the currency effects in connection with these payments. These effects are reported separately under 'Currency hedging etc.' The part of currency exposure relating to changes in invoicing rates is included in the business area's results.

Quarterly breakdown of net turnover by business area and for the Group

2009		2008				
MSEK	I	Full year	IV	III	II	I
Packaging & Speciality Paper	993	3 832	815	1 008	976	1 033
Packaging Boards	667	2 364	556	598	566	644
Market Pulp	323	1 499	334	385	366	414
Currency hedging, etc.	-131	28	-33	38	37	-14
Other and eliminations	48	69	37	9	4	19
Total Group	1 900	7 792	1 709	2 038	1 949	2 096

Quarterly breakdown of operating profit by business area and for the Group

2009		2008				
MSEK	I	Full year	IV	III	II	I
Packaging & Speciality Paper	94	244	-23	76	50	141
Packaging Boards	100	248	29	83	50	86
Market Pulp	-77	-145	-110	-39	-15	19
Currency hedging, etc.	-131	28	-33	38	37	-14
Other and eliminations	-23	-86	-28	-32	-8	-18
Total Group	-37	289	-165	126	114	214

Quarterly operating margin per business area and for the Group

2009		2008				
%	I	Full year	IV	III	II	I
Packaging & Speciality Paper	9	6	-3	8	5	14
Packaging Boards	15	10	5	14	9	13
Market Pulp	-24	-10	-33	-10	-4	5
The Group	-2	4	-10	6	6	10

Quarterly delivery volumes per business area

2009		2008				
'000 tonnes	I	Full year	IV	III	II	I
Packaging & Speciality Paper	118	482	103	128	123	128
Packaging Boards	125	469	108	121	113	127
Market Pulp	82	327	78	85	79	85
Total	325	1 278	289	334	315	340