
29 October 2010

Strong development for Billerud's packaging paper in terms of both earnings and new solutions

CEO Per Lindberg comments on the development during Q3 2010:

"We are very pleased with the results for the third quarter as well as the underlying earnings for all our business areas. The strong development for Billerud's main area, packaging paper, led to an improvement in operating profit to SEK 276 million for the third quarter. This result corresponded to an operating margin of 12% compared with the 11% average over the last three quarters. This improvement is due to good demand and continued efforts to improve margins and value creating packaging paper solutions.

We have just launched our first product where we combine two renewable materials; paper and bioplastic. The result is an effective and climate-smart sack solution with a moisture barrier. We can see a number of opportunities ahead of us where our close dialogue with end customers, combined with our expertise within packaging paper and bioplastics, will lead to new packaging solutions with increased value creation for our customers. This applies in particular to customers who set a high value on packaging their products in climate-smart packaging made from renewable materials.

Following our receipt of the "Technology Innovation Award 2010" in China for our FibreForm[®] product in the previous quarter, the number of customer enquiries and development cooperations relating to FibreForm[®] has further increased. We feel strengthened by the fact that our long-term focus on development work close to the customer, and innovative product development, will give us future opportunities for a continued positive margin development within packaging paper."

Solna, 29 October 2010
Billerud AB (publ)

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The information is such that Billerud is obligated to publish under the Swedish Securities Market Act. Submitted for publication at 07.47 CET on 29 October 2010.