
20 April 2011

Sales growth with stronger margins

CEO Per Lindberg comments on the development during Q1 2011:

“I note Billerud’s continued good performance with great satisfaction. We had record sales volumes during the first quarter and this has provided growth of over 10% compared with the previous quarter. This was achieved with a continued strong operating margin of 13%. Our aim has been to achieve a stable and high operating profit as a base for growth. We steadily laid the foundations for this in 2010 and the stronger base was further strengthened during the first quarter of the year. It is also gratifying to see that our sales growth derives from a combination of volume growth, an improved mix of products and markets, as well as higher prices in local currency. This has enabled us to withstand the cost increases and a stronger Swedish krona during the quarter.

The market as a whole remains strong, although the strength of some small segments has started to wane. The strong Swedish krona will also have long-term consequences. In the short term we are working to hedge exchange rates and in the slightly longer term with the prices of our products. In time, however, it will become more difficult to compensate for an increasingly strong Swedish krona by raising prices, which means that we must continue to review our cost base and the currencies in which we incur our costs.

Our continuous further development of our customer offerings and our ability to sell remain in focus and are yielding results. Starting with this quarter we refer in external and internal contexts to sold volumes instead of delivered volumes. This reflects our increasingly strong focus on sales. We hope that the rest of the industry will follow our lead in this important change in the industry’s terminology.”

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Billerud AB (publ)

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