



Press release

22 May 2015, Solna, Sweden

BillerudKorsnäs divests its Baltic pellets operations SIA Latgran to AS Graanul Invest

BillerudKorsnäs has signed an agreement with AS Graanul Invest (“Graanul”) concerning the sale of its shares in SIA Latgran (“Latgran” or the “Company”). Latgran is a leading Latvian based pellets producer with annual volumes of 497 thousand tonnes and sales of EUR 73 million in 2014.

BillerudKorsnäs’ ownership in Latgran is 75 percent, and the remaining 25 percent is owned by Baltic Resources Ab. The total consideration for 100 percent of the Company amounts to EUR 104 million on a cash and debt free basis, corresponding to a multiple of 7x Latgran’s EBITDA for 2014.

Per Lindberg, CEO of BillerudKorsnäs comments on the transaction:

“Latgran has shown a strong sales and earnings development during our ownership and has been a great investment for BillerudKorsnäs. Meanwhile, BillerudKorsnäs has increasingly evolved towards a more focused company, working with renewable packaging material and solutions that has become our core business. The sale of Latgran is in line with our strategy and will enable us to continue to develop our core business. At the same time the transaction strengthens Latgran’s ability to further develop its pellets business together with Graanul.”

The transaction is expected to close during July 2015, provided that certain closing conditions are fulfilled.

SEB Corporate Finance and Superia Corporate Finance have acted as financial advisers and Cederquist is the legal advisor to BillerudKorsnäs in connection with the transaction.

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The information is such that BillerudKorsnäs Aktiebolag (publ) is obligated to publish under the Swedish Securities Market Act. Submitted for publication at 11.00 CET, 22 May 2015.



BILLERUDKORSNÄS

About Graanul

AS Graanul Invest is a privately owned company, established in 2003, and focuses on forestry, development of bioenergy and the production of renewable energy. The company has since inception shown strong growth and is currently the biggest producer of pellets in the Baltic countries and the second largest in Europe with an annual production capacity of 853 thousand tonnes.

About Latgran

Latgran, established in 2004, is a leading producer of utility grade pellets in Latvia. Latgran employs 123 people and produced 497 thousand tonnes of pellets in its four factories and generated sales of approximately EUR 73 million in 2014. The vast majority of production is exports primarily to major electricity and regional thermal energy producers in Northern and Western Europe.