



PRESS RELEASE

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Stable markets and stable performance despite slow ramp-up

CEO Per Lindberg comments on the development during Q1 2016:

"We have again had a tough quarter with production lower than expected, due to last year's rebuilds. Production improved during the quarter and I anticipate production to reach target run rate at the end of the second quarter. Even if we did not reach our own growth expectations I still think we deliver a solid and satisfactory financial result. Our markets continue to be stable and we expect that growth will materialise as production stabilises."

THE RESULT

Net sales and EBITDA were down from the same quarter last year due to the divestment of Latgran in the third quarter 2015. For comparable units, Net sales was on the same level as last year and the EBITDA has actually improved. We saw improvements in results in both Consumer Board and Corrugated Solutions business areas.

MARKET OUTLOOK

The overall market has been stable and we expect this to continue with normal demand patterns.

Business area Packaging Paper experienced, as anticipated, a lower than normal brown sack market with lower prices in local currencies. Also the pulp price was down compared to Q1 last year. The remaining segments in Packaging Paper saw a stable market development with stable pricing with slight increases on MG paper.

For the first quarter Consumer Board did not manage to deliver sales volume growth. This is due to the problems in production in the fourth quarter. But we expect growth rates to start pick-up again in the second half of the year as the market has not changed and our production stabilises. In spite of the production problems during the quarter and the associated tight delivery situation the business area has managed to deliver a solid profit in line with previous year.

Business area Corrugated Solutions shows a continued strong performance. Corrugated markets continued to be stable during the quarter and our solution sales continued to grow successfully and take on-board new business.



BILLERUDKORSNÄS

STRATEGY

For our industry, sustainability has historically meant to minimise our impact on the environment. Sustainability is part of our core business and we see sustainability as a business opportunity. We are proud to be the only company in Sweden and the only one in our industry on the CDP's (previously Carbon Disclosure Project) A-list of companies that demonstrate leadership in measures to improve the climate. But we are also pleased for every customer that switches from plastics to BillerudKorsnäs' paper or board because that is when we have a tangible positive impact. As an example, an independent life cycle analysis shows that a paper bag results in half the emission of carbon dioxide compared to a plastic bag. Based on our products from renewable raw materials we can contribute to increased sustainability along the value chain by replacing other materials and solutions. As a result of the increasing interest for sustainable consumption, we also see an increasing interest in sustainable packaging among both brand owners and converters. With sustainability as part of our core business we consider our strategic position to be very strong.

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