



Interim report January-June 2005

	Quarter			January-June	
	2005 II	2005 I	2004 II	2005	2004
Net turnover, MSEK	1 704	1 739	1 764	3 443	3 584
Operating profit, MSEK	20	66	95	86	350
Operating margin, %	1	4	5	2	10
Profit after financial items, MSEK	3	49	74	52	309
Net profit, MSEK	2	35	51	37	220
Earnings per share, SEK	0.04	0.68	0.99	0.72	4.13

2005 compared with the same period in 2004

- Net turnover amounted to MSEK 3,443 (3,584).
- Net profit was MSEK 37 (220).
- Earnings per share were SEK 0.72 (4.13).
- Improved order situation for Billerud's packaging paper. Falling prices for market pulp.
- Operating profit was MSEK 86 (350). The decrease was mainly due to changed exchange rates, higher wood costs and one-off costs of MSEK 45.
- Operating profit excluding profit from currency hedging was MSEK 146 (212).

New President and CEO

- Per Lindberg took over as President and CEO on 1 August.

Outlook for full year 2005

- Significant cost increases for wood raw materials, chemicals and energy.
- In current market conditions, the assessment for the full year is an operating profit of around MSEK 150, before one-off items of MSEK 400 for implementation of organisational changes.
- Lower pulp prices and the faster implementation of the restructuring programme have led to the downward revision of the forecast.

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Billerud's President Per Lindberg will present the interim report live at a press conference at 3 p.m. today. Location: Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm.

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Billerud is a packaging paper company with a business concept to supply customers with innovative packaging paper. A consistent concentration on attractive market segments and a strong customer focus are cornerstones of Billerud's strategy. Billerud focuses on kraft paper and containerboard and has a world-leading position within several product segments. The company's production units are among the most cost-efficient in Europe for these products.

Billerud Group

Market

Total deliveries during the first quarter amounted to 336,000 tonnes, down around 4% on the first quarter of 2005. The decline in deliveries was mainly due to lower production resulting from the maintenance stoppage at Skärblacka. Deliveries in the first six months of the year totalled 685,000 tonnes, up around 1% on the same period in 2004.

The order situation for packaging paper improved during the quarter. Prices have been stable. Deliveries of packaging paper amounted to 261,000 tonnes in the second quarter, down 3% on the previous quarter. Deliveries in the first six months of the year totalled 531,000 tonnes, up 2% on the same period in 2004.

The price of long fibre sulphate pulp fell during the quarter, from USD 645 per tonne at the start of April to the current level of around USD 590. Billerud's deliveries of market pulp were down 5% on the previous quarter and amounted to 75,000 tonnes. During the first six months of 2005 deliveries amounted to 154,000 tonnes, down 4% on the same period in 2004.

Sales and results

Second quarter

Net turnover for the quarter was MSEK 1,704, down 2% on the previous quarter. The fall was due to lower delivery volumes.

The operating profit was MSEK 20, down MSEK 46, or 70%, on the previous quarter. The fall is primarily due to the maintenance stoppage at Skärblacka.

Earnings for each product area are commented on in greater detail on page 5.

Net financial items were MSEK -17. The profit after financial items was MSEK 3.

January-June

Net turnover was MSEK 3,443, down 4% on the same period in 2004. The fall was mainly due to the fact that last year's revenues were hedged at more favourable exchange rates. Higher volumes contributed around 1%.

The operating profit was MSEK 86, down MSEK 264, or 75%, on the same period in 2004. The fall is attributable to the following components (MSEK):

Deliveries and production volumes, including product mix	+/- 0
Sales prices (in local currencies)	+/- 0
Higher variable costs	- 100
Lower fixed costs	+ 40
<u>Effect of changed exchange rates</u>	<u>- 200</u>
Total effect on results (rounded off)	- 260

Variable costs rose mainly due to MSEK 80 in higher wood prices and MSEK 40 in higher prices for electricity and chemicals. These higher prices were countered mainly by reduced oil consumption due to changes in the production process.

Fixed costs are affected by the timing of Billerud's maintenance stoppages. During the first half of 2005 only one of the maintenance stoppages planned for the year (Skärblacka) had been completed, whereas two stoppages (Gruvön and Skärblacka) had been completed at

the same time last year. Fixed costs for January-June 2005 were thus around MSEK 60 lower than the same period in 2004. Performance in 2005 has however been negatively affected by more disruptions to production than during the same period in 2004. The first half of 2005 was also negatively affected by one-off costs of MSEK 45, of which MSEK 17 was severance pay for the former President and CEO. The remainder included costs for the planning of the Billerud 2009 organisation project and other costs relating to staff reductions. Fixed costs were down around MSEK 25 on the same period last year, mainly due to lower staff costs.

Net financial items were MSEK –34, up MSEK 7, or 17%, on the same period in 2004. Higher borrowings compared with last year were countered by lower interest rates.

The estimated tax expense was MSEK 15, representing a tax rate of 28.4%.

Currency hedging

During the first half of 2005 net flows were hedged at the following rates: EUR/SEK 9.20 (9.30), USD/SEK 7.19 (9.01), GBP/SEK 13.12 (14.07) and DKK/SEK 1.21 (-). Currency hedging had an overall negative effect of MSEK 60, of which MSEK –66 came in the second quarter. During the first half of 2004 currency hedging had a positive effect on profits of MSEK 138 (of which MSEK 64 in the second quarter). See page 6 for operating profit per product area excluding the effects of hedging.

Billerud's outstanding currency contracts as of 30 June 2005 had a market value of MSEK -177. The share of contracts corresponding to accounts receivable affected results in the second quarter. Other contracts, i.e. outstanding contracts as of 30 June 2005 not corresponding to accounts receivable, had a market value of MSEK -139.

Currently, Billerud has hedged around 54% of estimated net flows in EUR over 12 months, around 59% of estimated net flows in USD over 12 months, around 49% of estimated net flows in GBP over 12 months and around 52% of estimated net flows in DKK over 12 months at the rates shown below. 55% of hedged amounts are in EUR, 39% in USD and 5% in GBP. Hedging of net flows in DKK represent around 0.4% of the total hedged sum. Around 75% of forecast net flows for the remainder of 2005 are currently hedged.

Hedged exchange rates

Currency	Q 3 2005	Q 4 2005	Q 1 2006	Q 2 2006	Average rate
EUR/SEK	9.18	9.15	9.27	9.19	9.19
USD/SEK	7.06	7.12	7.03	7.22	7.10
GBP/SEK	13.04	13.16	13.05	13.11	13.09
DKK/SEK	1.24	1.23	1.24	1.24	1.23

Emission rights

A system of emission rights for carbon dioxide emissions based on fossil fuels was introduced within the EU with effect from January 2005. Billerud has been allocated 255,000 emission rights per year, which corresponds to average emissions in the period 1998-2001. Since Billerud has reduced its oil consumption in recent years, the company expects that it will have a surplus of 80,000 rights in 2005, which can be sold on the market. For the period January-June 2005 sales of emission rights amounted to MSEK 5, which was reported as reduced costs. After energy investments are completed (see next page), the rights surplus for 2007 is expected to double.

Investments and capital employed

Net investments in fixed assets amounted to MSEK 439, of which MSEK 238 was for energy investments as described below, and the remainder, MSEK 201, was for other investments, including the biological treatment plant at Gruvön and increased capacity for sack paper and kraft paper at Skärblacka.

Energy investments include new turbines for back-pressure power and the rebuild of the bark boilers at all three mills and new electricity supply at the Gruvön mill. The investment sum is MSEK 1,050. These investments are expected to double the company's generation of electricity and significantly cut consumption of heating oil. The new equipment will be brought on stream from the second half of 2005 up to the end of 2006. The projects are proceeding according to plan.

The investments more than match Billerud's requirements for financial return and the repayment period is less than five years. As a result, Billerud's profit before depreciation is expected to increase by MSEK 250 per year. Depreciation is expected to increase by MSEK 50 per year. The full effects will be achieved starting in 2007, with half of the effect being noted in 2006.

Depreciation in the first half of 2005 amounted to MSEK 207. Billerud has established an investment framework that corresponds to the depreciation level. The energy investments, however, are outside this framework.

Billerud's capital employed amounted to MSEK 4,719 as of 30 June 2005, compared with MSEK 4,506 at the end of 2004.

The return on capital employed over the most recent 12 months was 11%, compared with 17% last year. The return on shareholders' equity after tax was 11%. Discounting the effects of currency hedging, the return over the most recent 12-month period was 9%.

Cash flow and financial position

Cash flow from current activities during the first half of 2005 amounted to MSEK 241, compared with MSEK 621 for the same period last year. The lower cash flow was mainly due to the reduced profit. Cash flow for investment activities was MSEK -439. Ongoing investments are higher than in the previous year, mainly due to the energy projects that have started.

Operating cash flow amounted to MSEK -198, compared with MSEK 382 in the first half of 2004. The dividend of SEK 6.50 per share, or a total of MSEK 334, was paid during May. Net debt thus increased during the first half of 2005 by MSEK 570.

On 30 June 2005 interest-bearing net debt amounted to MSEK 2,039, compared with MSEK 1,469 on 31 December 2004 and MSEK 1,579 on 30 June 2004. The Group's net debt/equity ratio at the end of the period was 0.76, compared with 0.48 at the end of 2004 and 0.54 on 30 June 2004. The target is between 0.6 and 0.9. The current investments in energy projects are expected to take the net debt/equity ratio temporarily over 0.9 during 2005 and 2006.

Cash flow summary

MSEK (positive figure indicates a reduction in debt)	Jan-June 2005	Jan-March 2005	April-June 2005	Jan-June 2004
Current activities	241	91	150	612
Current net investments, excluding energy projects	-201		-108	-230
Energy project investments	-238	-93	-128	-
Operating cash flow	-198	-112	-86	382
Acquisition of Billerud Beetham Ltd	-	-	-	-213
Cash flow after investments	-198	-112	-86	169
Dividend	-334	-	-334	-346
Share buy-back	-	-	-	-168
To shareholders	-334	-	-334	-514
Other items not affecting cash flow	-38	-13	-25	-14
Change in net debt during the period	-570	-125	-445	-359

Financing

Interest-bearing loans as of 30 June 2005 amounted to MSEK 2,566. This includes utilisation of a syndicated bank loan of MSEK 259, bond loans of MSEK 1,532 and utilisation of Billerud's certificate programme of MSEK 746 (of a maximum MSEK 1,000). There is also a convertible debenture with a market value of MSEK 29.

During the first half of 2005 Billerud signed four new bond loans worth MSEK 925 in total. The maturity periods are between five and eight years. One of these loans (MSEK 150) concerned refinancing of a previous loan. The money from this loan will be used to fund Billerud's investment programme within the energy field.

Personnel

The average number of employees during the first half of the year was 2,571, compared with 2,558 in the first half of 2004, a rise of 13 people. Adjusted for the acquisition of Billerud Beetham the average number of employees has decreased by 40.

Product areas

Billerud's activities consist of three product areas – Kraft paper, Containerboard and Market pulp – which are strongly integrated in terms of production, making them hard to identify for accounting purposes. Risks and opportunities do not differ significantly between the product areas. Billerud has chosen to report and control its activities in these three product areas, which in the company's judgement form a joint operation and a primary segment. Markets are not considered to differ significantly in terms of risks and opportunities.

Net turnover and operating profit

	Net turnover						Operating profit					
	Q 2	Q 1	%	Jan-June	Jan-June	%	Q 2	Q 1	%	Jan-June	Jan-June	%
MSEK	2005	2005	change	2005	2004	change	2005	2005	change	2005	2004	change.
Kraft paper	919	927	-1	1 846	1 831	1	57	75	-24	132	224	-41
Containerboard	499	509	-2	1 008	990	2	11	37	-70	48	17	180
Market pulp	286	303	-6	589	763	-23	-23	-7	-	-30	129	-
Other and eliminations		-					-25	-39	-	-64	-20	-
Total Group	1 704	1 739	-2	3 443	3 584	-4	20	66	-70	86	350	-75

Kraft paper

Second quarter

The operating profit for the quarter was MSEK 57, down MSEK 18, or 24%, on the previous quarter mainly due to lower volumes and higher costs resulting from the maintenance stoppage at Skärblacka. Average prices were slightly higher in the second quarter compared with the first quarter.

January-June

The operating profit fell 41% to MSEK 132 mainly due to negative exchange rate effects that were only partly offset by the 2% rise in delivery volumes.

Containerboard

Second quarter

The operating profit for the quarter was MSEK 11, down MSEK 27, or 70%, on the previous quarter. Delivery volumes were down 2% and costs increased due to the maintenance stoppage at Skärblacka.

January-June

The operating profit was MSEK 48, up 180% on the previous year's level, mainly due to large maintenance stoppages that were performed in the comparable period last year.

Market pulp

Second quarter

The operating loss for the quarter was MSEK 23, down MSEK 16 on the previous quarter due to lower delivery volumes and lower market prices.

January-June

The operating loss was MSEK 30, down MSEK 159 on the same period last year mainly due to negative exchange rate effects but also slightly lower delivery volumes compared with last year.

Operating profit/loss per product area, excluding effects of currency hedging

MSEK	Jan-June 2005	Jan-June 2004	Full year 2004
Kraft paper	156	187	385
Containerboard	68	-4	115
Market pulp	-14	49	34
Other	-64	-20	-67
Total	146	212	467

Parent company

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

Net turnover in the first half of 2005 amounted to MSEK 1,489. The profit after financial items amounted to MSEK 1. Fixed-asset investments, excluding shares, amounted to MSEK 198. The average number of employees was 1,144. Liquid assets and short-term investments amounted to MSEK 581.

Organisational changes to cut costs

On 8 June the Board decided to implement a programme of changes to Billerud's organisation. This will include a reduction of 450 full-time jobs compared with the existing organisation. Since the end of 2004 preparatory measures have been carried out focused on changing working methods, raising competence levels and achieving more efficient use of resources. The proposed staff changes affect all four of the Group's mills; Gruvön, Karlsborg and Skärblacka in Sweden and Beetham in the UK. Staff reductions will be achieved primarily through early retirement.

The programme will reduce annual costs by at least MSEK 250. Implementation started immediately and should be completed during 2006. The full effect on earnings should be noted in 2007. Around one third of the effect on profits will be noted in 2006.

Negotiations with trade unions have begun in accordance with Swedish law. The one-off costs for the programme are estimated at around MSEK 400 for the remainder of 2005 and 2006.

New President appointed

On 13 May the Board decided to appoint Per Lindberg as the new President of Billerud AB and the CEO of the Billerud Group. Per Lindberg will take up the post on 1 August. For the past four years he was President of Korsnäs AB. Peter Davidson, who was acting President of Billerud, returns to his post as head of the Skärblacka mill.

Largest shareholders

According to the register of the Swedish Securities Register Centre (VPC), the ten largest shareholders of Billerud shares on 30 June 2005 were as follows (excluding Billerud's own shareholding of 1.9 million shares and excluding bank holdings).

Shareholder	No. of shares (millions)	Proportion of shares on market, % (shares = votes)
Frapag Vermögensverwaltung GmbH*	7.0	13.8
Northern Trust Global Services	2.0	3.8
Handelsbanken Funds	1.5	2.9
Mellon Funds	1.2	2.4
SEB Fonder/SEB Trygg Liv/Securities	0.9	1.7
JP Morgan Chase	0.7	1.3
Länsförsäkringar Funds	0.6	1.2
Nordea Funds	0.5	1.1
Södra Skogsägarna	0.5	1.0
Traction AB	0.4	0.7
Total, 10 largest	15.4	30.0
Total Billerud excluding share buy-backs (1 910 000)	51.3	100.0

* Including Billerud's bought-back shares: 13.3%

The proportion of foreign ownership was 36% of the total number of shares on the market. The total number of shareholders (including nominees) was around 163,000.

Share distribution

As of 30 June 2005 the distribution of shares was as follows:

Registered amount of shares	53 252 998
<u>Bought-back shares in company ownership</u>	<u>- 1 910 000</u>
Shares on the market	51 342 998
<u>Convertible debenture loan (on full conversion)</u>	<u>268 047</u>
Shares on the market (after full conversion)	51 611 045

There were no share buy-backs during the first half of 2005.

Transition to IFRS and other changes in accounting

From the start of 2005 when they were introduced in Sweden, Billerud is following International Financial Reporting Standards, IFRS. The consequences for Billerud are explained below and in supplement 2. In this interim report all comparable figures for 2004 have been restated in accordance with IFRS principles. Alongside the first-time adoption of IFRS, from 2005 the direct costs for annual maintenance stoppages will no longer be distributed over the year but charged to the period when the stoppage occurs. Comparable figures for 2004 have been restated to include this change. For further information, see supplement 2 on page 14.

During the transition period Billerud is affected by IAS16 Tangible Assets, IFRS 3 Company/Business Acquisitions, and IAS 39 Financial Instruments; Recognition and Measurement.

IAS 19/RR 29 Employee Benefits is being applied by Billerud from 1 January 2004.

To comply with IAS16 Tangible Assets, Billerud will start using component depreciation. The transfer to this method according to IFRS is not judged to have any material effect on the opening balance on 1 January 2004 and the closing balance on 31 December 2004.

The application of IFRS 3 Company/Business Acquisitions produces an effect for Billerud from the acquisition of Billerud Beetham in 2004. The net profit for 2004 and shareholders' equity at the end of 2004, in accordance with IFRS, will be affected by MSEK 5.

IAS 39 Financial Instruments; Recognition and Measurement will be applied from 1 January 2005. In accordance with IAS 39 all financial instruments shall be identified and given a market value at the closing date, which means that, for example, currency derivatives, interest rate swaps and electricity derivatives shall be booked on the balance sheet. The effects increased shareholders' equity on 1 January 2005 by MSEK 43 after tax. At the end of the first half of 2005 the corresponding effect of the market value meant a reduction in shareholders' equity of MSEK 64, MSEK 107 lower than the figure for 1 January 2005.

Outlook

Costs for wood raw materials, energy and chemicals are expected to remain high. The price of long-fibre market pulp has fallen from USD 645 per tonne at the start of April to the current level of around USD 590. The market for kraft paper has improved. For containerboard, the market is stable. The price of market pulp is expected to be somewhat lower second half of 2005 compared with the first half of the year.

In the current market climate the operating profit for the full year 2005 is expected to reach around MSEK 150 before one-off costs for restructuring of the organisation which are estimated at around MSEK 400. One-off costs will affect results during the remainder of 2005 and in 2006.

The changed forecast compared with previous forecasts is mainly due to the fall in pulp prices (MSEK 50) and the faster completion of the restructuring programme. Based on current exchange rates, it is expected that currency hedging will have a negative impact of around MSEK 140 on the profit for the full year in 2005.

Stockholm, Sweden
3 August 2005
Billerud AB (publ)

The Board of Directors

This interim report has not been subject to an examination by Billerud's auditors.

Interim reports
Third quarter 2005

9 November 2005

Accounting principles

The accounts are prepared in accordance with IAS 34 Interim reports. In comparison with the 2004 Annual Report, the accounting principles have been adapted to IFRS. For further information about the effects of introducing IFRS, see Supplement 2. Concerning IAS 14 Segment reporting, see comments under Product areas on page 5 of this report. For details of accounting principles and definitions of key figures, see the 2004 Annual Report pages 48-53 and page 67.

Profit and Loss Account	3 months			6 months		Full year	
	Apr-June 2005	Jan-March 2005	Apr-June 2004	Jan-June 2005	Jan-June 2004	Jan-Dec 2004	
MSEK							
Net turnover	1 704	1 739	1 764	3 443	3 584	7 159	
Other income	3	2	2	5	4	9	
Operating income	1 707	1 741	1 766	3 448	3 588	7 168	
Raw materials and consumables	-723	-741	-651	-1 465	-1 316	-2 766	
Change in stock	-32	-23	-11	-55	-47	13	
Other external expenses	-468	-460	-538	-927	-984	-1 885	
Staff expenses	-360	-348	-367	-708	-686	-1 350	
Depreciation	-104	-103	-104	-207	-205	-399	
Operating expenses	-1 687	-1 675	-1 671	-3 362	-3 238	-6 387	
Operating profit	20	66	95	86	350	781	
Financial items	-17	-17	-21	-34	-41	-74	
Profit after financial items	3	49	74	52	309	707	
Tax	-1	-14	-22	-15	-89	-198	
Net profit for the period	2	35	52	37	220	509	
Earnings per share, SEK	0.04	0.68	0.99	0.72	4.13	9.66	
Earnings per share after full conversion, SEK	0.04	0.68	0.98	0.72	4.12	9.62	
Balance Sheet		30 June	30 June	31 March	31 Dec	1 Jan	
MSEK		2005	2004	2005	2004	2005	
Fixed assets		4 951	4 558	4 809	4 702	4 702	
Stocks		723	710	707	749	749	
Accounts receivable		1 207	1 197	1 155	1 096	1 096	
Other current assets		259	183	180	277	277	
Cash, bank balances and short-term investments		669	543	401	378	378	
Total assets		7 809	7 191	7 252	7 202	7 202	
Shareholders' equity		2 679	2 900	3 089	3 080	3 080	
Interest-bearing liabilities		2 566	2 006	1 855	1 720	1 720	
Interest-bearing provisions, pensions		164	121	161	148	148	
Non-interest-bearing provisions		10	12	8	7	7	
Deferred tax liabilities		1 149	991	1 179	1 193	1 193	
Accounts payable		542	495	452	487	487	
Other, non-interest-bearing liabilities		699	666	508	551	567	
Total shareholders' equity, provisions and liabilities		7 809	7 191	7 252	7 127	7 202	
Specification of change in equity				Jan-June	Jan-June	Jan-March	Full year
MSEK				2005	2004	2005	2004
Opening equity				3 037	3 204	3 037	3 194
Adjustment for new accounting principles, IAS 39				43	-10	43	-
Adjusted opening equity according to IFRS				3 080	3 194	3 080	3 194
Profit/loss for the period				37	220	35	509
Market value of financial instruments in accordance with IAS 39				-107	-	-29	-
Dividend				-334	-346	-	-346
Share buy-back				-	-168	-	-317
Translation difference in shareholders' equity				3	-	3	-3
Closing equity				2 679	2 900	3 089	3 037

Cash Flow Statement MSEK	Jan-June 2005	Jan-June 2004	April-June 2005	Full year 2004
Operating surplus, etc 1)	305	591	122	1 185
Change in working capital, etc.	-4	95	55	91
Net financial items, taxes, etc.	-60	-65	-27	-66
Cash flow from operating activities	241	621	150	1 210
Investment in fixed assets	-440	-232	-237	-568
Acquisition of Billerud Beetham Ltd	-	-222	-	-213
Disposal of fixed assets	1	2	1	4
Cash flow from investment activities	-439	-452	-236	-777
Change in interest-bearing debt	819	535	685	258
Dividend	-334	-346	-334	-346
Share buy-back	-	-168	-	-317
Cash flow from financing activities	485	21	351	-405
Total cash flow (= change in liquid assets)	287	190	265	28
Liquid assets at the beginning of the period	378	353	-	353
Translation difference in liquid funds	4	-	3	-3
Liquid assets at the end of the period	669	543	268	378

1) The amount for January-June 2005 includes an operating surplus of MSEK 86, returned depreciation of MSEK 207, an increase in pension liabilities of MSEK 15 and other items of MSEK -3.

Key figures	Jan-June 2005	Jan-June 2004	Jan-March 2005	Full year 2004
Margins				
Gross margin, %	8	15	10	16
Operating margin, %	2	10	4	11
Return (rolling 12 months)				
Return on capital employed, %	11	19	13	17
Return on equity, %	11	18	12	16
Return on equity after full conversion, %	11	18	12	16
Capital structure at end of period				
Capital employed, MSEK	4 719	4 470	4 683	4 506
Shareholders' equity, MSEK	2 679	2 900	3 089	3 037
Interest-bearing net debt, MSEK	2 039	1 579	1 594	1 469
Net debt/equity ratio, times	0.76	0.54	0.52	0.48
Net debt/equity ratio after full conversion, times	0.74	0.53	0.50	0.47
Equity ratio, %	34	40	43	43
Equity ratio after full conversion, %	35	41	43	43
Per share				
Earnings per share, SEK	0.72	4.13	0.68	9.66
Average no. of shares, '000	51 343	53 393	51 343	52 735
Earnings per share after full conversion, SEK	0.72	4.12	0.68	9.62
Average no. of shares, '000	51 611	53 661	51 611	53 004
Per share at end of period				
Equity per share, SEK	52.31	55.09	60.17	59.16
No. of shares, '000	51 343	52 650	51 343	51 343
Equity per share after full conversion, SEK	52.6	55.35	60.43	59.41
No. of shares, '000	51 611	52 918	51 611	51 611
Gross investments, MSEK	439	232	203	568
Acquisition of Billerud Beetham Ltd	-	222	-	213
Average number of employees	2 571	2 558	2 556	2 623

Product areas

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

MSEK	2005		2004				
	II	I	Full year	IV	III	II	I
Kraft paper	919	927	3 613	878	904	929	902
Containerboard	499	509	2 131	568	573	470	520
Market pulp	286	303	1 415	307	345	365	398
Other and eliminations		-	-	-	-	-	-
Total Group	1 704	1 739	7 159	1 753	1 822	1 764	1 820

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

MSEK	2005		2004				
	II	I	Full year	IV	III	II	I
Kraft paper	57	75	485	110	151	72	152
Containerboard	11	37	171	58	96	-26	43
Market pulp	-23	-7	192	18	45	59	70
Other and eliminations	-25	-39	-67	-25	-22	-10	-10
Total Group	20	66	781	161	270	95	255

Quarterly breakdown of operating margin by product area and for the Group

%	2005		2004				
	II	I	Full year	IV	III	II	I
Kraft paper	6	8	14	13	17	8	17
Containerboard	2	7	8	10	17	-5	8
Market pulp	0	-2	14	6	13	16	18
Group	3	4	11	9	15	5	14

Quarterly delivery volumes per product area

000 tonnes	2005		2004				
	II	I	Full year	IV	III	II	I
Kraft paper	133	140	528	131	129	132	136
Containerboard	128	130	531	143	137	117	134
Market pulp	75	79	312	78	73	74	87
Total	336	349	1 371	352	339	323	357

Effects of introduction of IFRS on consolidated results for first half of 2005

For further details of the effects of the introduction of IFRS on Billerud, see pages 13-22 in supplement 2 of the interim report for the first quarter of 2005.

Consolidated profit and loss accounts

MSEK	January-March 2004			January-June 2004		
	Using previous accounting principles ¹⁾	Effect of introducing IFRS	Using IFRS	Using previous accounting principles ¹⁾	Effect of introducing IFRS	Using IFRS
Net turnover	1 820		1 820	3 584		3 584
Other operating income	2		2	4		4
Operating income	1 822		1 822	3 588		3 588
Raw materials and consumables	-665		-665	-1 316		-1 316
Change in inventories	-36		-36	-47		-47
Other external costs	-446		-446	-978	-6 B4)	-984
Staff costs	-319		-319	-686		-686
Depreciation	-101		-101	-205	0 B5)	-205
Operating expenses	-1 567		-1 567	-3 232	-6	-3 238
Operating profit	255	-	255	356	-6	350
Financial items	-20		-20	-41		-41
Profit after financial items	235	-	235	315	-6	309
Taxes	-66		-66	-89	0 B6)	-89
Net profit for the year	169	-	169	226	-6	220
Earnings per share, SEK	3.13		3.13	4.23		4.13
Earnings per share after full conversion, SEK	3.12		3.12	4.22		4.12

¹⁾ Includes effects of changed principle concerning reporting of maintenance costs. Further details on page 14.

Specification of change in profit in accordance with IFRS

(No effect on profit in first quarter, 2004)

	Jan-June 2005	Jan-Dec 2004
Profit for the period in accordance with previous accounting principles	226	514
B4) Change in costs for restructuring due to application of IFRS 3	-6	-6
B5) Change in depreciation due to application of IFRS 3	0	1
B6) Change in deferred tax due to application of IFRS 3	0	0
Profit for the period using IFRS	220	509

Effects of introduction of IFRS on operating profit per product area

MSEK	January-March 2004			January-June 2004		
	Using previous accounting principles	Effect of introducing IFRS	Using IFRS	Using previous accounting principles	Effect of introducing IFRS	Using IFRS
Kraft paper	152		152	230	-6	224
Containerboard	43		43	17		17
Market pulp	70		70	129		129
Other and eliminations	-10		-10	-20		-20
Total Group	255	-	255	356	-6	350

¹⁾ Includes effects of changed principles concerning reporting of maintenance costs. For further details, see page 14.

Effects of changed principles concerning reporting of maintenance costs on profit/loss for the Group's product areas, per quarter in 2004

	Using previous accounting principles				Effects of change				Using new accounting principles			
	Jan-March 2004	Jan-June 2004	Jan-Sept 2004	Jan-Dec 2004	Jan-March 2004	Jan-June 2004	Jan-Sept 2004	Jan-Dec 2004	Jan-March 2004	Jan-June 2004	Jan-Sept 2004	Jan-Dec 2004
MSEK												
Kraft paper	138	244	394	490	14	-14	-14	-	152	230	380	490
Container-board	34	35	122	171	9	-18	-9	-	43	17	113	171
Market pulp	63	127	181	192	7	2	-7	-	70	129	174	192
Other	-10	-20	-42	-67	-	-	-	-	-10	-20	-42	-67
Total Group	225	386	655	786	30	-30	-30	0	255	356	625	786

Effects of introduction of IFRS on consolidated shareholders' equity 2004

MSEK	Jan-March	Jan-June	Jan-Sept	Jan-Dec
Shareholders' equity on 1 Jan 2004 in accordance with previous accounting principles	3 204	3 204	3 204	3 204
Adjustment in accordance with recommendation RR 29 of the Swedish Financial Accounting Standards Council / IAS 19	-10	-10	-10	-10
Adjusted shareholders' equity, 1 January 2004	3 194	3 194	3 194	3 194
Dividend	-	-346	-346	-346
Share buy-back	-96	-168	-229	-317
Translation difference in shareholders' equity	-	-	-3	-3
Profit/loss for the period	147	248	429	514
Change in accounting principle for maintenance	22	-22	-22	-
Closing equity in accordance with previous principles	3 267	2 906	3 025	3 042
Effect on equity of introduction of IFRS due to:				
Recalculation of fixed assets due to application of IFRS 3	-9	-9	-8	-8
Change in deferred tax liability due to application of IFRS 3	3	2	2	2
Change in non-interest-bearing provisions due to application of IFRS 3	6	1	1	1
Shareholders' equity 31 Dec 2004 in accordance with IFRS	3 267	2 900	3 020	3 037