



# BILLERUDKORSNÄS

## INTERIM REPORT JANUARY-MARCH 2013



SEKm	Q1 2013	Q4 2012	Δ, %	Q1 2012	Δ, %
Net sales	5 132	3 068	67%	2 291	124%
EBITDA	712	269	165%	292	144%
Adjusted operating profit	432	127	240%	156	177%
Adjusted operating margin	8%	4%	4	7%	1
Operating profit	357	25	1328%	142	151%
Net profit/loss for the period	228	361	-37%	96	138%
Earnings per share, SEK	1.07	2.51	-57%	0.75	43%
Operating cash flow	309	-276	N.M.	-37	N.M.

**SEK 5 132m**

Net sales

**SEK 432m**

Adjusted  
operating profit

**8%**

Adjusted  
operating margin

### First quarter 2013

- Net sales amounted to SEK 5 132 million, compared to SEK 3 068 million in the previous quarter. The increase was due to the Korsnäs acquisition.
- Adjusted operating profit (excluding non-recurring items) reached SEK 432 million. The increase of SEK 305 million from the previous quarter is mainly attributable to the Korsnäs acquisition.
- Integration and realisation of synergies are progressing better than planned and synergies of SEK 77 million have been realised.
- Non-recurring costs of SEK 75 million have burdened the results for the quarter.
- A Medium Term Note (MTN) program was successfully launched on the capital market and SEK 1 500 million was raised and used to repay a short-term loan drawn down in connection with closing the acquisition.

### Outlook

- Additional synergies and savings potentials have been identified. The target has been increased to approximately SEK 530 million in annual synergies and savings by the end of 2015.
- Non-recurring costs of approximately SEK 200 million will be incurred to realise synergies and savings. Costs will impact earnings mainly during 2013 and first half of 2014.
- The order situation varies between segments, but is overall expected to seasonally improve during the second quarter of 2013.
- Price increases in local currency have been announced from April for some products and are being implemented during the second quarter of 2013.
- Supply of wood is good and prices in 2013 are expected to be stable on current level. Average price for 2013 is expected to be 4% below average price level during the fourth quarter of 2012.

BillerudKorsnäs' President and CEO Per Lindberg and CFO Susanne Lithander will present the interim report at a press and analyst conference at 10.00 CET on Tuesday 23 April 2013.  
Venue: Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

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The information in this report is such that BillerudKorsnäs AB (publ) is obliged to disclose under the Swedish Securities Market Act and was submitted for publication at 07.00 CET on 23 April 2013.



**SEK 5 132m**

Net sales Q1 2013

**8%**

Adjusted operating margin  
Q1 2013



Per Lindberg  
President and CEO, BillerudKorsnäs

Prices in local currency were improved with approximately 1% compared to the previous quarter.

## COMMENTS BY CEO PER LINDBERG

### INTEGRATION PROGRESSING BETTER THAN PLANNED

“The first full quarter as the new BillerudKorsnäs has come to an end and the integration of the two companies is progressing very well. We have therefore increased the target with SEK 200 million for our integration program to approximately SEK 530 million in synergies, savings and increased efficiency. Non-recurring costs for realising the synergies and savings will increase to approximately SEK 200 million, but are clearly justified given the expected savings. The sales process of PM2 in Gävle is also progressing according to plan and we expect to be able to fulfill the requirements from EU concerning our acquisition of Korsnäs.

Our adjusted operating profit for the quarter of SEK 432 million is in line with expectations given current environment. The currency situation with a very strong Swedish krona is putting high pressure on our operating profit and the negative impact quarter on quarter is SEK 68 million. Given the strong krona, it is pleasing to see that the integration generates positive savings effects beyond our initial expectations.

The trading situation in the first quarter was somewhat slow but stable. The market situation varied between our business areas, and while Packaging Paper faced a slightly slower than normal market, Consumer Board experienced a more satisfactory and normal market and the Containerboard’s market was rebounding and strong. Overall, we are still waiting for a European pick-up, and as a consequence increasing our sales efforts in emerging markets.”

## MARKET

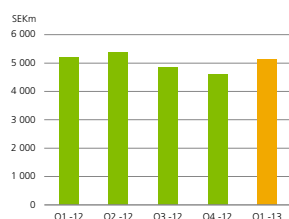
BillerudKorsnäs offers the global packaging market innovative and sustainable products and services. The Group has a leading position in primary fibre-based packaging paper and board. The packaging market shows further positive long-term development primarily due to increased globalisation, greater prosperity and changes in consumption patterns. In addition to packaging materials, BillerudKorsnäs sells long-fibre pulp, Northern Bleached Softwood Kraft (NBSK), which is not used in its own production.

The order situation for BillerudKorsnäs was stable during the quarter. Prices in local currency for the packaging materials segments have improved with approximately 1% compared to the previous quarter.

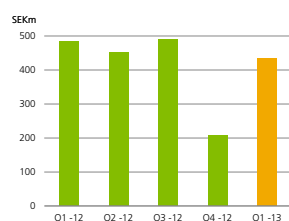
## SALES AND RESULTS <sup>1</sup>

*1 The historic numbers for 2012 in this part of the report are based on combined financial statements from the various combined entities to make historic comparisons relevant and understandable. Meaning that for the first quarter 2012, financials from Billerud, Korsnäs, Billerud Finland OY (part of UPM at the time) and Latgran have been combined. For the fourth quarter 2012, two months have been added from Korsnäs and Latgran to the reported BillerudKorsnäs’ financials. These combined financials are not proforma and have not been reviewed by the auditors. The comments to changes in the numbers are made on combined historical numbers for relevancy and understanding.*

NET SALES <sup>1</sup>



ADJUSTED OPERATING PROFIT <sup>1</sup>



SEKm	Q1 2013	Q4 2012	Δ, %	Q1 2012	Δ, %
Net sales	5 132	4 594	12%	5 209	-1%
EBITDA	712	456	56%	794	-10%
Adjusted operating profit	432	208	108%	484	-11%
Adjusted operating margin	8%	5%	3	9%	-1
Operating profit	357	106	237%	470	-24%

### FIRST QUARTER 2013 COMPARED TO FOURTH QUARTER 2012

Net sales was SEK 5 132 million, a growth of 12%, that was due to increase in volume.

Adjusted operating profit reached SEK 432 million, an increase with SEK 224 million. The adjusted operating margin was 8% (5%). Non-recurring costs of SEK 75 million have impacted the result. The non-recurring costs consist of SEK 48 million for reduction in surplus value in the inventory of finished products acquired with Korsnäs and SEK 27 million is integration costs.



Actual operating profit was SEK 357 million and net financial items amounted to SEK -78 million (-56). Profit before tax was SEK 279 million and estimated tax was SEK -51 million. Net profit totalled SEK 228 million.

**CHANGE IN ADJUSTED OPERATING PROFIT COMPARED TO PREVIOUS QUARTER, COMBINED 2012 DATA**

<b>SEKm</b>	
<b>Adjusted operating profit Q4 -12</b>	<b>208</b>
Sales and production volumes, incl. product mix	167
Selling prices (in respective sales currency)	7
Change in variable costs	-46
Change in fixed costs	197
Change in depreciation	-6
Effects of exchange rate fluctuations, incl. hedging*	-68
Reversal of change in non-recurring items	-27
<b>Adjusted operating profit Q1 -13</b>	<b>432</b>

\* Effects of exchange rate fluctuations totalling SEK -68 million comprise the following components: change in spot rates SEK -52 million, currency hedging SEK 42 million and currency effects from revaluation of trade receivables and payments from customers SEK -58 million.

The increase in profit level is primarily attributable to lack of periodic maintenance shutdown.

The increase in volume and the decrease of fixed costs are attributable to the fact that both Gävle and Gruvön had periodic maintenance shutdowns in the previous quarter.

Variable costs increased by SEK 46 million due to higher costs for energy and electricity, but also because of reduced allotment of green certificates.

The strengthened SEK has negatively impacted the operating profit with SEK 68 million compared to previous quarter.

**FIRST QUARTER 2013 COMPARED WITH FIRST QUARTER IN 2012**

Net sales fell by 1%

Net sales were 1% lower than in the same period in the previous year.

Adjusted operating profit fell by SEK 52 million

Adjusted operating profit fell by SEK 52 million. The main reason for the reduction was the increase in non-recurring costs of SEK 61 million that negatively impacted the profit compared to same quarter last year.

**CHANGE IN OPERATING PROFIT COMPARED WITH THE SAME PERIOD IN THE PREVIOUS YEAR, COMBINED 2012 DATA**

<b>SEKm</b>	
<b>Adjusted operating profit Q1 -12</b>	<b>484</b>
Sales and production volumes, incl. product mix	19
Selling prices (in respective sales currency)	55
Change in variable costs	-19
Change in fixed costs	-28
Change in depreciation	-33
Effects of exchange rate fluctuations, incl. hedging*	-107
Reversal of change in non-recurring items	61
<b>Adjusted operating profit Q1 -13</b>	<b>432</b>

\* Effects of exchange rate fluctuations totalling SEK -107 million comprise the following components: change in spot rates SEK -103 million, currency hedging SEK 16 million and currency effects from revaluation of trade receivables and payments from customers SEK -20 million.

The negative impact of the strengthened SEK was partly offset by improved prices in local currency.

Changes in variable costs consist of primarily two components, reduced wood prices (SEK +76 million) and green certificates (SEK -57 million).

**SYNERGY REALISATION**

Integration and realisation of synergies are progressing better than planned. Synergies of SEK 77 million were realised and non-recurring integration cost of SEK 27 million impacted the results for the quarter. Focus areas are to secure the Group's organisational structure,

common work methods and processes. Main synergy components so far have been realised in procurement of raw materials, purchasing and production optimisation.

#### GREEN CERTIFICATES

As communicated since the fourth quarter of 2011, the company has lost some of the allotment of green certificates from January 2013. The table below shows the situation for green certificates for the company.

	former Billerud Group (MWh)	former Korsnäs Group (MWh)	Total (MWh)
Allotment 2012	1 005 000	531 000	1 536 000
Allotment 2013	240 000	262 000	502 000
<b>Net change</b>			<b>-1 034 000</b>

The net amount of certificates lost corresponds to approximately 1 000 000 MWh. BillerudKorsnäs will continue to receive green certificates corresponding to approximately 500 000 MWh during 2013. The negative impact on profits in the first quarter was SEK 27 million compared to previous quarter.

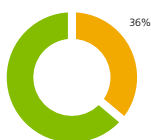
## BUSINESS AREAS <sup>2</sup>

<sup>2</sup> The historic numbers for 2012 from this part of the report and onwards are not based on combined historic data. Historic data from 2012 consist only of reported numbers for BillerudKorsnäs.

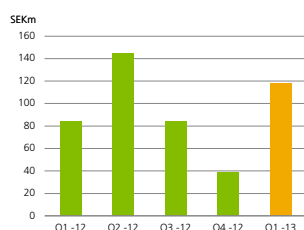
### PACKAGING PAPER BUSINESS AREA

Packaging Paper offers premium-quality kraft and sack paper, as well as functional solutions for many applications, including packaging for food, industrial purposes, medical applications and carrier bags, for customers with demanding requirements. The business area also sells any surplus of pulp that BillerudKorsnäs does not use in its own production.<sup>1</sup> The business area's largest markets are Europe and Asia.

SHARE OF GROUP'S NET SALES Q1 2013



OPERATING PROFIT



SEKm	Quarter			Full year
	Q1 -13	Q4 -12	Q1 -12	2012
Net sales	1 855	1 717	1 527	6 837
Net operating expenses, other	-1 618	-1 563	-1 339	-6 036
Depreciation and impairment	-119	-115	-104	-449
<b>Operating profit/loss</b>	<b>118</b>	<b>39</b>	<b>84</b>	<b>352</b>
Operating margin, %	6%	2%	6%	5%
Sales volumes, ktonnes	275	254	232	1 011
whereof packaging paper	197	172	136	670

#### FIRST QUARTER

Net sales reached SEK 1 855 million which is a growth with 8% due to volume increase compared with previous quarter. First quarter is not impacted by any maintenance shutdown.

Operating profit was SEK 118 million, an increase of SEK 79 million compared to the previous quarter. Improvement is attributable to volume increase due to no maintenance shutdown in the first quarter.

Compared with the first quarter in 2012, operating profit improved with SEK 34 million. Main reason for the positive change though is the acquisition of the Finnish business acquired in June last year which accounts for the volume increase. A less favourable currency situation was partly offset by higher prices in local currency for packaging paper.

<sup>1</sup> Historically, BillerudKorsnäs has sold approximately 325 ktonnes of market pulp annually. The Packaging Paper business area also buys pulp for its paper production in Finland and the UK. As a result, the business area's net exposure in market pulp is estimated to average approximately 30 ktonnes annually.



**MARKET DEVELOPMENT**

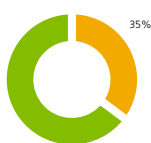
The order situation for kraft and sack paper was slightly slower than normal for the season. Market prices in local currency were stable. Average prices were slightly down compared with the previous quarter due to mix. Price increases in local currency for MG kraft paper has been announced from April with EUR 60 per tonne which is being implemented during the second quarter.

The market for NBSK pulp improved during the quarter, compared with the previous quarter. Prices in Europe rose to approximately USD 840 per tonne at the end of the quarter, compared with approximately USD 810 per tonne at the beginning of the quarter. Further price increases are expected.

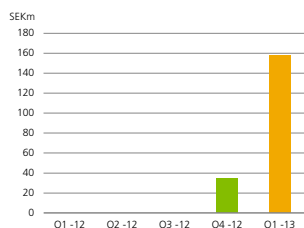
**CONSUMER BOARD BUSINESS AREA**

The Consumer Board business area develops and markets high-quality board for packaging for beverages, yoghourts, refrigerated and frozen food and other consumer products. Smart solutions in function, design and material selection add further value for the customer. Europe is the largest market.

SHARE OF GROUP'S NET SALES Q1 2013



OPERATING PROFIT



SEKm	Quarter			Full year
	Q1 -13	Q4 -12	Q1 -12	2012
Net sales	1 805	508	-	508
Net operating expenses, other	-1 474	-414	-	-414
Depreciation and impairment	-173	-59	-	-59
<b>Operating profit/loss</b>	<b>158</b>	<b>35</b>	-	<b>35</b>
Operating margin, %	9%	7%	-	7%
Sales volumes, ktonnes	250	71	-	71

**FIRST QUARTER**

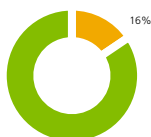
Net sales were SEK 1 805 million. This was the first full quarter for Consumer Board as it was established on 29 November 2012.

Operating profit amounted to SEK 158 million in the first quarter including the reduction in surplus value of SEK 48 million in the inventory of finished products acquired. Adjusted operating profit totalled SEK 206 million.

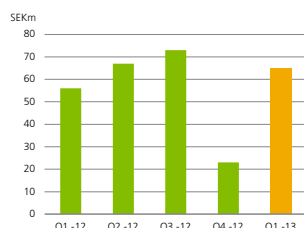
**MARKET DEVELOPMENT**

The order situation for liquid packaging board and cartonboard in the first quarter was still stable and satisfactory. Prices in local currency were stable, compared with the previous quarter.

SHARE OF GROUP'S NET SALES Q1 2013



OPERATING PROFIT



SEK 60 million earnings impact for the quarter

## CONTAINERBOARD BUSINESS AREA

The Containerboard business area offers corrugated board raw material that provides light but strong packaging for demanding transportation uses and primary packaging. An important part of the offering is consultation for packaging optimisation and efficient logistical flows.

SEKm	Quarter		Full year	
	Q1 -13	Q4 -12	Q1 -12	2012
Net sales	797	623	663	2 594
Net operating expenses, other	-682	-554	-563	-2 200
Depreciation and impairment	-50	-46	-44	-175
<b>Operating profit/loss</b>	<b>65</b>	<b>23</b>	<b>56</b>	<b>219</b>
Operating margin, %	8%	4%	8%	8%
Sales volumes, ktonnes	150	120	128	510

### FIRST QUARTER

Compared to the fourth quarter, net sales increased with SEK 174 million to SEK 797 million. Attributable to higher volume mainly due to that the first quarter was not impacted by any maintenance shutdowns but also due to volume from White Top Liner that was integrated into the business area from 29 November 2012 as part of the Korsnäs acquisition.

Operating profit amounted to SEK 65 million, an increase of SEK 42 million compared with the previous quarter. The increase is primarily explained by the fact that the result in the previous quarter was burdened with maintenance shutdown costs from Gruvön implying lower fixed costs and higher volume for the first quarter of this year. Also adding to the improvement is the contribution from White Top Liner.

Compared with the same period in 2012 operating profit improved by SEK 9 million primarily due to volume increases including contribution from White Top Liner.

### MARKET DEVELOPMENT

The order situation in the quarter improved and was strong. Average selling prices in local currency improved during the quarter due to mix. Price increases in local currency of 5-8% for all products included in the business area have been announced from mid-April to be implemented during the second quarter.

## CURRENCY HEDGING

During the first quarter 2013, net flows were hedged at EUR/SEK 8.72 (9.43) USD/SEK 6.76 (6.65) and GBP/SEK 10.53 (10.59). Currency hedging had an overall earnings impact of SEK 60 million (44) for the first quarter (compared with if no hedging had taken place).

BillerudKorsnäs' outstanding forward exchange contracts at 31 March 2013 had a market value of SEK 63 million. Of this SEK 27 million, which is the part of the contracts matched by trade receivables, affected earnings in the first quarter. Other contracts had a market value of SEK 36 million.

### HEDGED PORTION OF CURRENCY FLOW FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (31 MARCH 2013)

Currency		Q2 -13	Q3 -13	Q4 -13	Q1 -14	Total 12 months
EUR	Share of net flow	87%	59%	35%	12%	48%
	Rate	8.65	8.62	8.63	8.52	8.63
USD	Share of net flow	87%	60%	35%	17%	49%
	Rate	6.67	6.58	6.54	6.49	6.60
GBP	Share of net flow	89%	58%	34%	15%	49%
	Rate	10.36	10.26	10.10	9.85	10.25
<b>Market value of currency contracts*</b>		<b>37</b>	<b>17</b>	<b>8</b>	<b>1</b>	<b>63</b>

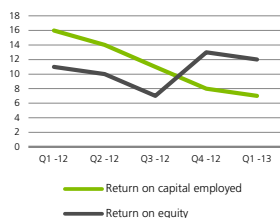
\*On 31 March 2013.

BillerudKorsnäs continuously hedges approximately 50% of forecasted net flows over the next 12-month period but in accordance with its financial policy is also able to extend currency hedging to 100% of net flows over the next 15 months.

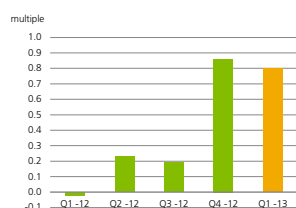


SEK 186 million in gross investments for the quarter

RETURN, % (ROLLING 12 MONTHS)



NET DEBT/EQUITY RATIO AT THE END OF THE QUARTER



## INVESTMENTS AND CAPITAL EMPLOYED

Gross investments for the first quarter amounted to SEK 186 million (165). The environmental and energy investment at Skärblacka amounted to SEK 62 million in the first quarter.

BillerudKorsnäs' capital employed at 31 March 2013 amounted to SEK 17 452 million (4 811). Return on capital employed, calculated over the past 12-month period, amounted to 7% (16). If the effects of currency hedging are excluded, return on capital employed was 5% (14). Return on equity after tax was 12% (11).

## CASH FLOW AND FINANCIAL POSITION

### SUMMARY CASH FLOW STATEMENT

#### SEKm

(positive figure indicates reduction in debt)

	Q1 -13	Q1 -12
Operating surplus, etc.	827	298
Change in working capital, etc.	-160	22
Net financial items, taxes, etc.	-181	-202
<b>Cash flow from operating activities</b>	<b>486</b>	<b>118</b>
Current net investments	-177	-155
<b>Operating cash flow</b>	<b>309</b>	<b>-37</b>

Operating cash flow during the first quarter 2013 amounted to SEK 309 million (-37) due to the significant increase in operating surplus.

Net interest-bearing debt on 31 March 2013 was SEK 7 770 million (-121). The Group's net debt/equity ratio at the end of the period was 0.80 (-0.02). BillerudKorsnäs' financial target for its net debt/equity ratio is that it should be less than 0.90.

## FINANCING

Interest-bearing loans amounted to SEK 7 939 million on 31 March 2013. Of this amount, utilisation of the syndicated credit facility (maximum: SEK 5 500 million) accounted for SEK 3 104 million, bond loans for SEK 1 869 million, utilisation of BillerudKorsnäs' commercial paper program (maximum: SEK 1 500 million) for SEK 838 million and other interest-bearing liabilities for SEK 2 128 million.

During the quarter, BillerudKorsnäs established a MTN-program with a SEK 5 000 million framework and completed an initial 5 year bond issue amounting in total to SEK 1 500 million. The proceeds from the bond issue were used to replace the remaining short term bridge facility of SEK 1 500 million.

## PARENT COMPANY

The parent company BillerudKorsnäs AB includes the Gruvön production unit, the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Net sales in the first quarter of 2013 amounted to SEK 989 million (997). Operating profit totalled SEK 20 million, which was SEK 48 million lower than in 2012. The decline was mainly attributable to increased costs for integration and restructuring.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. In the first quarter of 2013 this result amounted to SEK 60 million (44).

Investments in property, plant and equipment and intangible assets excluding shares in the first quarter of 2013 amounted to SEK 22 million (26). The average number of employees was 920 (916). Cash and bank balances and short-term investments amounted to SEK 633 million (795).



## SEASONAL EFFECTS

BillerudKorsnäs' business is to a relatively limited extent subject to seasonal fluctuations. The greatest impact is from periodic maintenance shutdowns, during which the unit concerned is idle for approximately a week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown.

### MAINTENANCE SHUTDOWNS

In addition to on-going maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. In order to carry out maintenance, production of pulp, paper and board is stopped – known as a maintenance shutdown. The cost of a maintenance shutdown mainly comprises the loss of volume related to the shutdown and fixed costs, mainly in the form of costs of maintenance and overtime work, as well as - to some extent - variable costs such as higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown is an assessment of the impact on earnings of a normal shutdown, compared to a quarter during which no periodic maintenance shutdown takes place.

Production units	Estimated shutdown cost, SEKm	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown 2013   2012   2011
		Packaging Paper	Consumer Board	Container-board	
Gävle	Appr. 100	Appr. 5%	Appr. 80%	Appr. 15%	Q4   Q4   Q4
Gruvön	Appr. 100	Appr. 40%	Appr. 5%	Appr. 55%	-   Q4   Q4
Frövi	Appr. 55	0%	100%	0%	Q2   Q2   Q2
Skärblacka	Appr. 60	Appr. 85%	0%	Appr. 15%	Q3   Q3   Q2
Karlsborg	Appr. 40	100%	0%	0%	Q3   Q3   Q3
Pietarsaari	Appr. 15	100%	0%	0%	Q4   Q4   Q4

Maintenance shutdowns at Beetham, Rockhammar and Tervasaari have an insignificant effect on BillerudKorsnäs' total earnings.

As a result of the current environmental and energy investments at Skärblacka, the maintenance shutdown in the third quarter 2013 will be longer than normal. In addition to the cost of approximately SEK 60 million for a normal shutdown, a loss of profits amounting to approximately SEK 120 million also has to be taken into account.

In the fourth quarter 2013 a shorter maintenance shutdown will take place at Gruvön. The cost for this shutdown is estimated at approximately SEK 50 million, compared to a normal shutdown of approximately SEK 100 million.





BillerudKorsnäs' shares are listed on NASDAQ OMX Stockholm.

## LARGEST SHAREHOLDERS

### BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (28 MARCH 2013)

Shareholder	Number of shares	Number of votes, %
Investment AB Kinnevik	51 827 388	25.1
FRAPAG Beteiligungsholding AG	32 412 100	15.7
Nordea Funds	9 219 717	4.5
SHB Funds	4 993 649	2.4
DFA Funds (USA)	4 525 311	2.2
Norges Bank Investment Management	4 484 524	2.2
SEB Funds	3 332 283	1.6
Swedbank Robur Funds	3 320 967	1.6
AFA Insurance	1 458 051	0.7
Evli Funds (Finland)	1 291 019	0.6
<b>Total 10 largest shareholders</b>	<b>116 865 009</b>	<b>56.6</b>
<b>Total number of shares in the market</b>	<b>206 500 887</b>	<b>100.0</b>

Source: SIS Ägarservice AB. Excludes BillerudKorsnäs' approximately 1.7 million bought-back shares and foreign custodian banks.

The total number of shareholders (including nominee-registered) was 104 357. The proportion of foreign ownership was 32.6% of the number of shares in the market. More information about shareholder structure is available at [www.billerudkorsnas.com/investor-relations](http://www.billerudkorsnas.com/investor-relations).

## DISTRIBUTION OF SHARES

### DISTRIBUTION OF SHARES (28 MARCH 2013)

Registered number of shares	208 219 834
Bought back shares	-1 718 947
<b>Total number of shares in the market</b>	<b>206 500 887</b>

## SIGNIFICANT RISKS AND UNCERTAINTIES

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses are in SEK. A more in-depth description of risks and a sensitivity analysis is provided on pages 75-80 of the 2012 Annual Report.

## RELATED PARTY TRANSACTIONS

No transactions have taken place between BillerudKorsnäs and related parties that significantly affect the company's position and earnings.



## EVENTS AFTER THE END OF THE QUARTER

The Board of Directors has approved investment in Latgran's fourth wood pellets factory in Gulbene, Latvia amounting to approximately EUR 15 million and an upgrade of Gruvön softwood line amounting to approximately SEK 300 million. Main reasons for the investment in Latgran are continued profitable growth and development of the business to market leadership. Main reasons for the investment in Gruvön are to reduce production cost, secure high availability and possibility to increase production capacity. Both investments are included in the total estimated investment level of approximately SEK 1 350 million in 2013 for the Group.

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Solna, 23 April 2013  
BillerudKorsnäs AB (publ)  
Board of Directors

## FINANCIAL CALENDAR

Interim report January-June 2013	18 July 2013
Interim report January-September 2013	30 October 2013

The 2013 AGM will be held on 7 May 2013.

## ACCOUNTING PRINCIPLES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The new revised pension standard, IAS 19, effective as 1 January 2013, has affected the balance sheet and other comprehensive income. Numbers and key figures for 2012 have been recalculated, see Appendix. The accounting principles otherwise applied in this interim report are the same as those used in the most recent annual report for 2012, see pages 81-90 and page 119 for definitions of key indicators. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act. Key figure definitions are provided on page 20 of this report.

<p>The information in this interim report is such that BillerudKorsnäs AB (publ) is obliged to disclose under the Swedish Securities Market Act. This report has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditor.</p>
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**BILLERUDKORSNÄS GROUP**  
**INCOME STATEMENT**

SEKm	Quarter			Full year
	Q1 -13	Q4 -12	Q1 -12	2012
Net sales	5 132	3 068	2 291	10 427
Other income	45	10	2	27
<b>Operating income</b>	<b>5 177</b>	<b>3 078</b>	<b>2 293</b>	<b>10 454</b>
Change in inventories	-43	150	-77	77
Raw materials and consumables	-2 755	-1 679	-1 114	-5 413
Other external costs	-922	-755	-448	-2 268
Employee benefits expense	-748	-526	-362	-1 654
Depreciation and impairment of non-current assets	-355	-244	-150	-709
Profit/Loss from participations in associated companies	3	1	-	2
<b>Operating expenses</b>	<b>-4 820</b>	<b>-3 053</b>	<b>-2 151</b>	<b>-9 965</b>
<b>Operating profit/loss</b>	<b>357</b>	<b>25</b>	<b>142</b>	<b>489</b>
Financial income and expenses	-78	-56	-10	-87
<b>Profit/Loss before tax</b>	<b>279</b>	<b>-31</b>	<b>132</b>	<b>402</b>
Taxes	-51	392	-36	275
<b>Net profit/loss for the period</b>	<b>228</b>	<b>361</b>	<b>96</b>	<b>677</b>
<b>Profit/Loss attributable to:</b>				
Owners of the parent company	222	361	96	677
Non-controlling interests	6	-	-	-
<b>Net profit/loss for the period</b>	<b>228</b>	<b>361</b>	<b>96</b>	<b>677</b>
<b>Earnings per share, SEK</b>	<b>1.07</b>	<b>2.51</b>	<b>0.75</b>	<b>5.14</b>
<b>Diluted earnings per share, SEK</b>	<b>1.07</b>	<b>2.50</b>	<b>0.75</b>	<b>5.12</b>

**STATEMENT OF COMPREHENSIVE INCOME**

SEKm	Quarter		Full year
	Q1 -13	Q1 -12	2012
<b>Net profit/loss for the period</b>	<b>228</b>	<b>96</b>	<b>677</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains or losses on defined benefit pension plans	-1	-	-6
Tax attributable to items not to be reclassified to profit or loss	-	-	-2
<b>Total items never reclassified to profit or loss</b>	<b>-1</b>	<b>-</b>	<b>-8</b>
<b>Items that have been or may be reclassified subsequently to profit or loss</b>			
Differences arising from the translation of foreign operations' accounts	-54	-3	-56
Change in fair value of shareholding in Bergvik Skog	17	1	8
Change in fair value of cash flow hedges	-44	-19	-134
Change in fair value of cash flow hedges transferred to net profit/loss for the period	60	44	142
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	-3	-7	-2
<b>Total items that have been or may be reclassified subsequently to profit or loss</b>	<b>-24</b>	<b>16</b>	<b>-42</b>
<b>Total comprehensive income for the period</b>	<b>203</b>	<b>112</b>	<b>627</b>
<b>Attributable to:</b>			
Owners of the parent company	199	112	627
Non-controlling interests	4	-	-
<b>Total comprehensive income for the period</b>	<b>203</b>	<b>112</b>	<b>627</b>



## STATEMENT OF CHANGES IN EQUITY

SEKm	Quarter		Full year
	Q1 -13	Q1 -12	2012
<b>Opening balance</b>	<b>9 435</b>	<b>4 823</b>	<b>4 823</b>
Comprehensive income for the period	203	112	627
Acquisition of partly owned subsidiaries, with non-controlling interests previously	-	-	43
Directed issue	-	-	2 367
Rights issue	42	-	1 935
Share-based payment to be settled in equity instruments	2	-	1
Sale of shares, incentive programs	-	-	-
Dividends paid	-	-	-361
<b>Closing balance</b>	<b>9 682</b>	<b>4 935</b>	<b>9 435</b>
<b>Equity attributable to:</b>			
Owners of the parent company	9 634	4 934	9 391
Non-controlling interests	48	1	44
<b>Closing balance</b>	<b>9 682</b>	<b>4 935</b>	<b>9 435</b>

## BALANCE SHEET

SEKm	31 Mar 2013	31 Dec 2012
Non-current assets	17 461	17 645
Inventories	3 068	3 146
Accounts receivable	2 379	2 244
Other current assets	772	943
Cash and cash equivalents	915	745
<b>Total assets</b>	<b>24 595</b>	<b>24 723</b>
Shareholders' equity attributable to owners of the parent company	9 634	9 391
Non-controlling interests	48	44
<b>Shareholders' equity</b>	<b>9 682</b>	<b>9 435</b>
Interest-bearing liabilities	6 873	5 405
Provisions for pensions	842	832
Other provisions	87	83
Deferred tax liabilities	2 559	2 561
<b>Total non-current liabilities</b>	<b>10 361</b>	<b>8 881</b>
Interest-bearing liabilities	1 066	2 700
Accounts payables	2 323	2 549
Other liabilities and provisions	1 163	1 158
<b>Total current liabilities</b>	<b>4 552</b>	<b>6 407</b>
<b>Total equity and liabilities</b>	<b>24 595</b>	<b>24 723</b>



## STATEMENT OF CASH FLOW

SEKm	Quarter			Full year
	Q1 -13	Q4 -12	Q1 -12	2012
Operating surplus, etc.*	827	309	298	1 282
Change in working capital, etc.	-160	-29	22	132
Net financial items, taxes, etc.	-181	-98	-202	-412
<b>Cash flow from operating activities</b>	<b>486</b>	<b>182</b>	<b>118</b>	<b>1 002</b>
Investments in property, plant and equipment	-186	-440	-165	-955
Acquisition of financial assets	-	-10	-	-10
Disposal of financial assets	-	-1	-	339
Business combinations	-	-5 508	-	-6 581
Disposal of property, plant and equipment	9	2	10	13
<b>Cash flow from investing activities</b>	<b>-177</b>	<b>-5 957</b>	<b>-155</b>	<b>-7 194</b>
Change in interest-bearing receivables	-	-46	-	-46
Change in interest-bearing liabilities	-167	4 014	-14	4 488
Dividend	-	-	-	-361
Rights issue	42	1 935	-	1 935
Sale of shares, incentive programs	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-125</b>	<b>5 903</b>	<b>-14</b>	<b>6 016</b>
<b>Total cash flow (=change in cash and cash equivalents)</b>	<b>184</b>	<b>128</b>	<b>-51</b>	<b>-176</b>
<b>Cash and cash equivalents at start of period</b>	<b>745</b>	<b>620</b>	<b>929</b>	<b>929</b>
<b>Translation differences in cash and cash equivalents</b>	<b>-14</b>	<b>-3</b>	<b>-1</b>	<b>-8</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>915</b>	<b>745</b>	<b>877</b>	<b>745</b>

\*The amount for the period January - March 2013 takes into account operating profit of SEK 357 million, reversed depreciation SEK 355 million, increase in pension liabilities SEK 2 million, other provisions SEK 4 million, capital result SEK -6 million and net of produced and sold electricity certificates and sold emission rights SEK 115 million. The amount for the period January - March 2012 takes into account operating profit of SEK 142 million, reversed depreciation SEK 150 million, increase in pension liabilities SEK 3 million, net of produced and sold electricity certificates and sold emission rights SEK 2 million and capital result SEK 1 million.

## NOTE FINANCIAL ASSETS AND LIABILITIES

	Derivatives in hedge accounting	Accounts and loan receivables	Available- for-sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
<b>Group 31 March 2013</b>						
Other shares and participations			753		753	753
Long-term receivables			97		97	97
Accounts receivable		2 379			2 379	2 379
Other receivables	40	295			335	335
Cash and cash equivalents <sup>1</sup>		915			915	915
<b>Total</b>	<b>40</b>	<b>3 589</b>	<b>850</b>		<b>4 479</b>	<b>4 479</b>
Non-current interest-bearing liabilities				6 873	6 873	6 873
Current interest-bearing liabilities				1 066	1 066	1 066
Accounts payable				2 323	2 323	2 323
Other liabilities	14			170	184	184
<b>Total</b>	<b>14</b>			<b>10 432</b>	<b>10 446</b>	<b>10 446</b>
<b>Group 31 December 2012</b>						
Other shares and participations			737		737	737
Long-term receivables <sup>2</sup>			97		97	97
Accounts receivable		2 244			2 244	2 244
Other receivables	29	480			509	509
Cash and cash equivalents <sup>1</sup>		745			745	745
<b>Total</b>	<b>29</b>	<b>3 469</b>	<b>834</b>		<b>4 332</b>	<b>4 332</b>
Non-current interest-bearing liabilities				5 405	5 405	5 405
Current interest-bearing liabilities				2 700	2 700	2 700
Accounts payable				2 550	2 550	2 550
Other liabilities	20			171	191	191
<b>Total</b>	<b>20</b>			<b>10 826</b>	<b>10 846</b>	<b>10 846</b>

1 Investments in securities etc. are classified as Cash and cash equivalents when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value.

2 At the start of 2012 BillerudKorsnäs had investments in eight different bonds for a total of SEK 341 million which were sold in May 2012.



## KEY FIGURES

	Jan-Mar		Full year
	2013	2012	2012
<b>Margins</b>			
Gross margin, %	14	13	11
Operating margin, %	7	6	5
<b>Return (rolling 12 months)</b>			
Return on capital employed, %	7	16	8
Return on total capital, %	5	9	4
Return on equity, %	12	11	13
Return on equity after dilution, %	12	11	13
<b>Capital structure at end of period</b>			
Capital employed, SEKm	17 452	4 814	17 530
Equity, SEKm	9 682	4 935	9 435
Interest-bearing net debt, SEKm	7 770	-121	8 096
Net debt/equity ratio, multiple	0.80	-0.02	0.86
Net debt/equity ratio after dilution, multiple	0.80	-0.02	0.85
Equity ratio, %	39	54	38
Equity ratio after dilution, %	39	54	39
<b>Key figures per share</b>			
Earnings per share, SEK	1.07	0.75	5.14
Average number of shares, thousands	206 501	127 861	131 852
Earnings per share after dilution, SEK	1.07	0.75	5.12
Average number of shares after dilution, thousands	206 806	128 223	132 157
Cash flow from operating activities per share, SEK	2.35	0.92	7.60
Operating cash flow per share, SEK	1.50	-0.29	0.38
Equity per share, SEK	46.65	38.59	45.47
Number of share at the end of the period, thousands	206 501	127 861	206 501
Equity per share after dilution, SEK	46.58	38.48	45.41
Number of share at the end of the period, thousands	206 806	128 223	206 806
<b>Other key figures</b>			
Gross investments, SEKm	186	165	965
Business combinations, SEKm	-	-	8 948
Average number of employees	4 111	2 233	2 548

## QUARTERLY KEY FIGURES

	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Earnings per share, SEK	1.07	2.51	0.80	0.92	0.75	0.35	1.64	1.51
Cash flow from operating activities per share, SEK	2.35	1.20	3.83	1.66	0.92	2.14	4.16	3.65
Return on capital employed, %	2	0	3	3	3	2	6	6
Return on equity, %	2	7	2	2	2	1	4	4
Equity per share, SEK	46.65	45.47	36.98	36.43	38.59	38.10	37.52	36.31



**PARENT COMPANY  
SUMMARISED INCOME STATEMENT**

SEKm	Quarter		Full year
	Q1 -13	Q1 -12	2012
Operating income	974	968	3 856
Operating expenses	-954	-900	-3 653
<b>Operating profit/loss</b>	<b>20</b>	<b>68</b>	<b>203</b>
Financial income and expenses	-40	-2	-18
<b>Profit/Loss after financial income and expenses</b>	<b>-20</b>	<b>66</b>	<b>185</b>
Appropriations	-	-	1 438
<b>Profit/loss before tax</b>	<b>-20</b>	<b>66</b>	<b>1 623</b>
Taxes	5	-17	-318
<b>Net profit/loss for the period</b>	<b>-15</b>	<b>49</b>	<b>1 305</b>

**SUMMARISED BALANCE SHEET**

SEKm	31 Mar	31 Mar	31 Dec
	2013	2012	2012
Subscribed capital unpaid	-	-	42
Non-current assets	14 571	4 154	14 622
Current assets	3 351	3 438	3 704
<b>Total assets</b>	<b>17 922</b>	<b>7 592</b>	<b>18 368</b>
Shareholders' equity	8 364	3 139	8 378
Untaxed reserves	346	2 212	346
Provisions	767	547	759
Interest-bearing liabilities	7 677	1 021	7 539
Other liabilities	768	673	1 346
<b>Total equity and liabilities</b>	<b>17 922</b>	<b>7 592</b>	<b>18 368</b>



## BUSINESS AREAS

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas: Packaging Paper, Consumer Board and Containerboard. Non-current assets and capital investments cannot be broken down by business area since the business areas are highly integrated in terms of production.

Other units include wood supply, sales organisations, Tenova Bioplastics AB, Nine TPP AB, Billerud Inc., Diacell AB, the Latgran Group, white kraft and sack paper at the Gävle production unit (PM2) and dormant companies.

Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivable and payments from customers. The part of currency exposure relating to changes in invoicing rates is included in the business area's profit or loss.

Group staff and eliminations comprise Group-wide functions and Group eliminations. Group eliminations also include shares in profits/losses from participations in associated companies.

### NET SALES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Packaging Paper	1 855	1 717	1 925	1 668	1 527	1 357	1 521	1 514
Consumer Board	1 805	508	-	-	-	-	-	-
Containerboard	797	623	634	674	663	644	696	704
Other units	650	183	52	79	79	69	64	75
Currency hedging, etc.	25	37	17	19	22	16	46	90
Group staff and eliminations	-	-	-	-	-	-	-	-
<b>Total Group</b>	<b>5 132</b>	<b>3 068</b>	<b>2 628</b>	<b>2 440</b>	<b>2 291</b>	<b>2 086</b>	<b>2 327</b>	<b>2 383</b>

### OPERATING PROFIT QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Packaging Paper	118	39	84	145	84	41	173	122
Consumer Board	158	35	-	-	-	-	-	-
Containerboard	65	23	73	67	56	60	119	94
Other units	34	9	20	9	10	4	9	9
Currency hedging, etc.	25	37	17	19	22	16	46	90
Group staff and eliminations	-43	-118	-33	-79	-30	-46	-51	-40
<b>Total Group</b>	<b>357</b>	<b>25</b>	<b>161</b>	<b>161</b>	<b>142</b>	<b>75</b>	<b>296</b>	<b>275</b>

### OPERATING PROFIT <sup>1</sup> QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Packaging paper <sup>1</sup>	118	103	161	145	84	86	215	172
Consumer Board <sup>1</sup>	206	79	-	-	-	-	-	-
Containerboard <sup>1</sup>	65	70	77	67	56	109	119	102
Other units <sup>1</sup>	34	9	20	9	10	4	9	9
Currency hedging etc. <sup>1</sup>	25	37	17	19	22	16	46	90
Group staff and eliminations <sup>1</sup>	-16	-52	-17	-41	-16	-36	-51	-40
<b>Total Group <sup>1</sup></b>	<b>432</b>	<b>246</b>	<b>258</b>	<b>199</b>	<b>156</b>	<b>179</b>	<b>338</b>	<b>333</b>
Costs for periodical maintenance shutdowns	-	-119	-81	-	-	-94	-42	-58
Non-recurring items	-75	-102	-16	-38	-14	-10	-	-
<b>Operating profit</b>	<b>357</b>	<b>25</b>	<b>161</b>	<b>161</b>	<b>142</b>	<b>75</b>	<b>296</b>	<b>275</b>

### OPERATING MARGIN <sup>1</sup> QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

%	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Packaging paper <sup>1</sup>	6	6	8	9	6	6	14	11
Consumer Board <sup>1</sup>	11	16	-	-	-	-	-	-
Containerboard <sup>1</sup>	8	11	12	10	8	17	17	14
<b>Group <sup>1</sup></b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>15</b>	<b>14</b>

### SALES VOLUMES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

ktonne	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Q4 -11	Q3 -11	Q2 -11
Packaging Paper	275	254	283	242	232	200	210	207
Consumer Board	250	71	-	-	-	-	-	-
Containerboard	150	120	130	132	128	115	125	128
<b>Total</b>	<b>675</b>	<b>445</b>	<b>413</b>	<b>374</b>	<b>360</b>	<b>315</b>	<b>335</b>	<b>335</b>

<sup>1</sup> Operating profit and margin are adjusted for the effects of periodical maintenance shutdowns and for non-recurring items.





## APPENDIX

### SUMMARY OF ADJUSTMENTS AND ESTIMATED EFFECTS ON OTHER COMPREHENSIVE INCOME AND BALANCE SHEET DUE TO CHANGED STANDARD REGARDING IAS 19 - EMPLOYEE BENEFITS

	According to earlier accounting principles	Adjustment IAS 19	Revised
<b>Balance sheet</b>	<b>1 Jan</b>		<b>1 Jan</b>
<b>SEKm</b>	<b>2012</b>		<b>2012</b>
Non-current assets	5 508		5 508
Inventories	1 135		1 135
Accounts receivable	1 391		1 391
Other current assets	372		372
Cash and cash equivalents	929		929
<b>Total assets</b>	<b>9 335</b>	<b>-</b>	<b>9 335</b>
Shareholders' equity attributable to owners of the parent company	4 871	-49 <sup>1, 3</sup>	4 822
Non-controlling interests	1		1
<b>Shareholders' equity</b>	<b>4 872</b>	<b>-49</b>	<b>4 823</b>
Interest-bearing liabilities	819		819
Provisions for pensions	219	71 <sup>1, 2</sup>	290
Other provisions	36		36
Deferred tax liabilities	1 467	-18 <sup>3</sup>	1 449
<b>Total non-current liabilities</b>	<b>2 541</b>	<b>53</b>	<b>2 594</b>
Interest-bearing liabilities	-		-
Accounts payables	1 227		1 227
Other liabilities and provisions	695	-4 <sup>2</sup>	691
<b>Total current liabilities</b>	<b>1 922</b>	<b>-4</b>	<b>1 918</b>
<b>Total equity and liabilities</b>	<b>9 335</b>	<b>-</b>	<b>9 335</b>

1 The approved amendment of IAS 19 Employee benefits has been applied from 2013 by BillerudKorsnäs. The amendment involves elimination of reporting options using the "corridor" approach. Actuarial gains and losses must from 2013 be recognised in Other comprehensive income. Liability related to special payroll tax on pension costs earlier recognised as Other short term liabilities and provisions will from 2013 be reclassified to Provisions for pensions. Corresponding changes for comparative year 2012 will be done in Other comprehensive income and Balance sheet. Actuarial loss as per 1 January 2012 which has not been recognised before amounted to SEK 54 million and not recognised liability related to special payroll tax on pension costs is calculated to SEK 13 million, totalling SEK 67 million.

2 Liability related to special payroll tax on pension costs as per 1 January 2012 amounted to SEK 4 million, recognised as Other short term liabilities and provisions is reclassified to Provisions for pensions.

3 Deferred tax receivable has been calculated with 26,3% of increased pension liability, SEK 18 million.



**APPENDIX CONTD.**

**SUMMARY OF ADJUSTMENTS AND ESTIMATED EFFECTS ON OTHER COMPREHENSIVE INCOME AND BALANCE SHEET DUE TO CHANGED STANDARD REGARDING IAS 19 - EMPLOYEE BENEFITS**

	According to earlier accounting principles	Adjustment IAS 19	Revised
<b>Balance sheet</b>	<b>31 Dec</b>		<b>31 Dec</b>
<b>SEKm</b>	<b>2012</b>		<b>2012</b>
Non-current assets	17 645		17 645
Inventories	3 146		3 146
Accounts receivable	2 244		2 244
Other current assets	943		943
Cash and cash equivalents	745		745
<b>Total assets</b>	<b>24 723</b>	<b>-</b>	<b>24 723</b>
Shareholders' equity attributable to owners of the parent company	9 448	-57 <sup>1, 3</sup>	9 391
Non-controlling interests	44		44
<b>Shareholders' equity</b>	<b>9 492</b>	<b>-57</b>	<b>9 435</b>
Interest-bearing liabilities	5 405		5 405
Provisions for pensions	757	75 <sup>1, 2</sup>	832
Other provisions	83		83
Deferred tax liabilities	2 577	-16 <sup>3</sup>	2 561
<b>Total non-current liabilities</b>	<b>8 822</b>	<b>59</b>	<b>8 881</b>
Interest-bearing liabilities	2 700		2 700
Accounts payables	2 549		2 549
Other liabilities and provisions	1 160	-2 <sup>2</sup>	1 158
<b>Total current liabilities</b>	<b>6 409</b>	<b>-2</b>	<b>6 407</b>
<b>Total equity and liabilities</b>	<b>24 723</b>	<b>-</b>	<b>24 723</b>

1 Actuarial loss as per 31 December 2012 which has not been recognised before, amounted to SEK 59 million and not recognised liability related to special payroll tax on pension costs amounted to SEK 14 million, totalling SEK 73 million.

2 Liability related to special payroll tax on pension costs amounted to SEK 2 million, has been reclassified from Other short term liabilities and provisions to Provisions for pensions.

3 Deferred tax receivable has been calculated with 22% of increased pension liability, SEK 16 million.



## APPENDIX CONTD.

### SUMMARY OF ADJUSTMENTS AND ESTIMATED EFFECTS ON OTHER COMPREHENSIVE INCOME AND BALANCE SHEET DUE TO CHANGED STANDARD REGARDING IAS 19 - EMPLOYEE BENEFITS

	According to earlier accounting principles	Adjustment IAS 19	Revised
<b>Statement of comprehensive income</b>			
<b>SEKm</b>	<b>Full year 2012</b>		<b>Full year 2012</b>
<b>Net profit/loss for the period</b>	<b>677</b>		<b>677</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains or losses on defined benefit pension plans		-6 <sup>1</sup>	-6
Tax attributable to items that not be reclassified to profit/loss		-2 <sup>2</sup>	-2
<b>Total</b>	<b>-</b>	<b>-8</b>	<b>-8</b>
<b>Items that have been or may be reclassified subsequently to profit or loss</b>			
Differences arising from the translation of foreign operations' accounts	-56		-56
Change in fair value reserve	8		8
Change in fair value of cash flow hedges	8		8
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	-2		-2
<b>Total</b>	<b>-42</b>	<b>-</b>	<b>-42</b>
<b>Total comprehensive income for the period</b>	<b>635</b>	<b>-8</b>	<b>627</b>
<b>Attributable to:</b>			
Owners of the parent company	635	-8	627
Non-controlling interests	-		-
<b>Total comprehensive income for the period</b>	<b>635</b>	<b>-8</b>	<b>627</b>
<b>Statement of changes in equity</b>			
<b>SEKm</b>			
<b>Opening balance</b>	<b>4 823 <sup>3</sup></b>		<b>4 823</b>
Comprehensive income for the period	635	-8	627
Acquisition of partly owned subsidiaries, with non-controlling interests previously	43		43
Share-based payment to be settled in equity instruments	1		1
Directed issue	2 367		2 367
Right issue in progress	1 935		1 935
Dividends paid	-361		-361
<b>Closing balance</b>	<b>9 443</b>	<b>-8</b>	<b>9 435</b>
<b>Attributable to:</b>			
Owners of the parent company	9 399	-8	9 391
Non-controlling interests	44		44
<b>Closing balance</b>	<b>9 443</b>	<b>-8</b>	<b>9 435</b>

1 Actuarial losses including special payroll tax on pension costs which have not been recognised before, increased during 2012 with SEK 6 million.

2 Deferred tax receivable related to the increased pension liability including special payroll tax on pension costs is estimated to SEK -2 million. This includes SEK -3 million as an effect of reduced corporate tax rate in Sweden from 26,3% to 22% as from 1 January 2013.

3 Revised opening balance, see page 17.



## DEFINITIONS

### Adjusted operating profit

Operating profit adjusted for non-recurring items.

### Capital employed

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets.

### Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares in the market during the period.

### Earnings per share

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market.

### Earnings per share after dilution

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market after estimated utilisation of incentive programs.

### Equity

Shareholders' equity at the end of the period.

### Equity per share

Shareholders' equity at the end of the period, attributable to owners of the parent, divided by the number of shares in the market at the end of the period.

### Equity per share after dilution

Shareholders' equity at the end of the period, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programs divided by the number of shares in the market at the end of the period after estimated utilisation of incentive programs.

### Equity ratio

Shareholders' equity as a percentage of total assets.

### Equity ratio after dilution

Shareholders' equity plus the effect of estimated utilisation of incentive programs as a percentage of total assets plus the effect of estimated utilisation of incentive programs.

### Fluting

The rippled middle layer in corrugated board, produced from either primary or recycled fibre.

### Gross Margin

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales.

### Interest-bearing net debt

Interest-bearing provisions and liabilities less interest-bearing assets.

### Market pulp

Pulp which is sold to paper mills that do not produce their own pulp.

### NBSK

Northern bleached softwood kraft.

### Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

### Net debt/equity ratio after dilution

Interest-bearing net debt divided by shareholders' equity plus the effect of estimated utilisation of incentive programs.

### Non-recurring items

One-time costs not affecting the company's run rate cost level.

### Operating cash flow per share

Operating cash flow divided by the average number of shares in the market during the period.

### Operating margin

Operating profit as a percentage of net sales.

### Return on capital employed

Operating profit as a percentage of average capital employed.

### Return on equity

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent.

### Return on equity after dilution

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programs.

### Return on total capital

Operating profit as a percentage of average total capital.

### White top Liner

Liner is the surface layer on corrugated board. White Top liner consists of two layers – a white finish and a brown interior.



BillerudKorsnäs offers primary fibre-based packaging materials and packaging solutions. The company holds a prominent position in several product segments, both in primary fibre-based materials for consumer packaging and for industrial purposes. Through its business model BillerudKorsnäs focuses on its customers and offers high-quality materials, knowledge of the entire value chain and a global network of customers and packaging partners. The aim is to create values that strengthen customer brands and competitiveness, thereby securing the company's position as the natural partner for smarter packaging. BillerudKorsnäs' strategy is to generate profitable growth through World Class Process Efficiency and Customer-focused Development. Today, BillerudKorsnäs' biggest market is Europe.

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