



Interim report January-September 2005

Corporate Identity No. 556025-5001

www.billerud.com

	Quarter			January-September	
	2005 III	2005 II	2004 III	2005	2004
Net turnover, MSEK	1 638	1 704	1 822	5 081	5 406
Operating profit, MSEK	-367	20	270	-281	620
Operating margin, %	-22	1	15	-6	11
Profit after financial items, MSEK	-390	3	252	-338	561
Net profit, MSEK	-281	2	182	-244	402
Earnings per share, SEK	-5.47	0.04	3.46	-4.75	7.58

1 January – 30 September 2005 compared with the same period in 2004

- Net turnover amounted to MSEK 5,081 (5,406).
- Net loss was MSEK 244 (402).
- Earnings per share were SEK -4.75 (+7.58).
- The order situation for Billerud's packaging paper continued to improve.
- Operating loss was MSEK 281 (+620). The deterioration was mainly due to one-off costs of MSEK 400 for organisational changes, changed exchange rates, higher costs for wood, chemicals and energy.
- The projects aimed at cutting costs both within the energy field and within the organisation are proceeding according to plan.

New President

- Per Lindberg took over as President on 1 August 2005.

Outlook for full year 2005

- Continued high cost levels for intermediate goods throughout the remainder of the year.
- Higher prices announced for many products.
- The operating profit for the full year is expected to reach MSEK 150 before one-off costs for organisational changes amounting to MSEK 400.

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Billerud's President Per Lindberg will present the interim report live at a press conference at 3 p.m. today, 9 November. 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 efficient 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 third quarter amounted to 325,000 tonnes, down 3% on the second quarter of 2005. The decline in deliveries was mainly due to the maintenance stoppages at Gruvön and Karlsborg during the quarter. Deliveries in the first nine months of the year totalled 1,010,000 tonnes, down around 1% on the same period in 2004. Delivery opportunities were affected by production problems at all three Swedish mills.

The order situation for Billerud's packaging paper continued to improve during the quarter. Deliveries of packaging paper amounted to 252,000 tonnes in the third quarter, down 3% on the previous quarter due to the carried out maintenance stops. Deliveries in the first nine months of the year totalled 783,000 tonnes, unchanged on the same period in 2004.

The price of long fibre sulphate pulp was around USD 590 at the start of July and then fell slightly during the quarter. The price rises now and is currently around USD 620 per tonne. Billerud's deliveries of market pulp amounted to 73,000 tonnes in the third quarter, down 3% on the second quarter. During the first nine months of 2005 deliveries amounted to 227,000 tonnes, down 3% on the same period in 2004.

Sales and results

Third quarter

Net turnover for the quarter was MSEK 1,638, down 4% on the previous quarter. The fall was due to lower delivery volumes.

The operating loss was MSEK 367, down MSEK 387 on the previous quarter. The fall was primarily due to one-off costs during the quarter of MSEK 376 for organisational changes relating to the Billerud 2007 project, as shown in the table below. Price and cost levels were otherwise relatively stable during the quarter.

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

Net financial items were MSEK -23. The loss after financial items was MSEK 390 and the net loss was MSEK 281.

January-September

Net turnover was MSEK 5,081, down 6% on the same period in 2004. Net turnover was marginally negatively affected by lower volumes and lower pulp prices, but the reduction was mainly due to the changed outcome of currency hedging.

The operating loss was MSEK 281, down MSEK 901 on the same period in 2004. A comparison of the operating profit/loss for January/September 2005 and 2004, including the effects of currency hedging and one-off items for the Billerud 2007 project, is presented in the table on the following page which shows that the deterioration is primarily due to one-off costs of MSEK 400 for the implementation of the Billerud 2007 organisational changes and to a worse outcome from currency hedging of MSEK 329 in 2005 compared with 2004. One-off costs are largely for allocations for future pensions. Costs have also been incurred for the planning of the project and other measures relating to staff. All the costs affect cash flow, and will do so especially in 2006. The project is described in more detail on page 7.

Operating profit/loss excluding effects of currency hedging and one-off costs

MSEK	2005 Jan-Sept	2004 Jan-Sept	Change
Kraft paper	270	315	-45
Containerboard	41	78	-37
Market pulp	-25	42	-67
Total, excluding effects of currency hedging	286	435	-149
Effects of currency hedging	-102	227	-329
Including effects of currency hedging	184	662	-478
One-off costs 'Billerud 2007'	-400	-	-400
Other	-65	-42	-23
Total	-281	620	-901

The negative trend of the operating profit/loss for the products areas when the effects of currency hedging and one-off items (MSEK -149) are excluded is mainly due to increasing costs for wood, energy and chemicals. Fixed costs have fallen slightly compared with the same period in 2004. The price of packaging paper has been relatively stable, while pulp prices have fallen.

The "Other" item for January-September 2005 was negatively affected by one-off costs of MSEK 21 that are not related to the Billerud 2007 project. MSEK 17 was severance pay and social costs for the former President of Billerud.

Net financial items were MSEK -57, up MSEK 2, or 3%, on the same period in 2004. Higher borrowings compared with last year were countered by lower interest rates.

The loss before tax was MSEK 338. The estimated tax benefit was MSEK 94, representing a tax rate of 28%.

Currency hedging

During the first nine months of 2005 net flows were hedged at the following rates: EUR/SEK 9.20 (9.24), USD/SEK 7.16 (8.83), GBP/SEK 13.03 (13.63) and DKK/SEK 1.22 (-). Currency hedging had an overall negative effect of MSEK 102, of which MSEK 42 came in the third quarter. During the first nine months of 2004 currency hedging had a positive effect on profits of MSEK 227 (of which MSEK 89 in the third quarter). See page 6 for operating profit per product area excluding the effects of hedging.

Billerud's outstanding currency contracts as of 30 September 2005 had a market value of MSEK -79. The share of contracts corresponding to accounts receivable affected results in the third quarter. Other contracts, i.e. outstanding contracts as of 30 September 2005 not corresponding to accounts receivable, had a market value of MSEK -48.

As a consequence of Billerud's hedging policy and the exchange rates that applied at the beginning of November, the hedging of EUR has been increased to about 15 months at a forward rate of about SEK 9.50 per EUR. The products that are sold in EUR account for about 70% of turnover and comprise virtually all packaging papers except for brown sack paper.

Currently, Billerud has hedged around 91% of estimated net flows in EUR over 15 months, around 57% of estimated net flows in USD over 12 months, around 55% of estimated net flows in GBP over 12 months and around 51% of estimated net flows in DKK over 12 months. The hedged amount of flows and the hedged rates for EUR, USD and GBP are

shown in the table below. DKK accounts for just 0.5% of total hedged flows and is therefore not included in the table.

Hedged amount of currency flows for EUR, USD and GBP and exchange rate for SEK

Currency		Nov-Dec 2005	Jan-Jun 2006	Jul-Dec 2006	Jan-Jun 2007	Total
EUR	Proportion of total flow	97%	90%	87%	15%	91 %
	Rate	9.19	9.38	9.50	9.54	9.41
USD	Proportion of total flow	100%	71%	13%	-	57%
	Rate	7.21	7.27	7.41	-	7.26
GBP	Proportion of total flow	100%	64%	18%	-	55%
	Rate	13.39	13.33	13.80	-	13.40

Investments and capital employed

Net investments in fixed assets amounted to MSEK 740, of which MSEK 444 was for energy investments as described below, and the remainder, MSEK 296, was for other investments, including the biological treatment plant at Gruvön.

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. Operation of the bark boilers was tested during the third quarter. 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 nine months of 2005 amounted to MSEK 309. 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 4,558 as of 30 September 2005, compared with MSEK 4,506 at the end of 2004.

The return on capital employed over the most recent 12 months was 3%, compared with 17% last year. The return on shareholders' equity after tax was -5%. Discounting the effects of currency hedging, the return over the most recent 12-month period was -2%.

Cash flow and financial position

Cash flow from current activities during the first nine months of 2005 amounted to MSEK 466, compared with MSEK 950 for the same period last year. The lower cash flow was mainly due to the reduced profit. Cash flow for investment activities was MSEK -739. Ongoing investments are higher than in the previous year, mainly due to the energy projects that have started.

Operating cash flow amounted to MSEK -273, compared with MSEK 591 in the same period 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 nine months of 2005 by MSEK 637.

On 30 September 2005 interest-bearing net debt amounted to MSEK 2,106, compared with MSEK 1,469 on 31 December 2004 and MSEK 1,430 on 30 September 2004. The Group's

net debt/equity ratio at the end of the period was 0.86, compared with 0.48 at the end of 2004 and 0.47 on 30 September 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 over 0.9 during 2005 and 2006.

Cash flow summary

MSEK (positive figure indicates a reduction in debt)	Jan- Sept 2005	July- Sept 2005	April- June 2005	Jan- Sept 2004
Current activities	466	225	150	950
Current net investments, excluding energy projects	-295	-94	-108	-287
Energy project investments	-444	-206	-128	-72
Operating cash flow	-273	-75	-86	591
Acquisition of Billerud Beetham Ltd	-	-	-	-213
Cash flow after investments	-273	-75	-86	378
Dividend	-334	-	-334	-346
Share buy-back	-	-	-	-229
To shareholders	-334	-	-334	-575
Other items not affecting cash flow	-30	8	-25	-13
Change in net debt during the period	-637	-67	-445	-210

Financing

Interest-bearing loans as of 30 September 2005 amounted to MSEK 2,559. This includes utilisation of a syndicated bank loan of MSEK 250, bond loans of MSEK 1,532 and utilisation of Billerud's certificate programme of MSEK 748 (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.

During the third quarter Billerud signed a new five-year agreement concerning a syndicated bank loan of MSEK 1,800. The new loan replaces a previous syndicated bank loan of MSEK 1,200. The money from this loan will also be used to fund Billerud's investment programme within the energy field. As of 30 September 2005, MSEK 250 of the new syndicated bank loan had been utilised.

Personnel

The average number of employees during the period was 2,624. Adjusted for the acquisition of Billerud Beetham the average number of employees has fallen by around 40 compared with the same period last year.

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

MSEK	Net turnover						Operating profit					
	Q 3 2005	Q 2 2005	% chang	Jan- Sept 2005	Jan- Sept 2004	% chang	Q 3 2005	Q 2 2005	% chang	Jan- Sept 2005	Jan- Sept 2004	%
Kraft paper	884	919	-4	2 730	2 735	0	98	57	72	230	375	-39
Containerboard	486	499	-3	1 494	1 563	-4	-20	11	-	28	113	-75
Market pulp	268	286	-6	857	1 108	-23	-44	-23	-	-74	174	-
Other and eliminations	-	-	-	-	-	-	-401	-25	-	-465	-42	-
Total Group	1 638	1 704	-4	5 081	5 406	-6	-367	20	-	-281	620	-

Kraft paper

Third quarter

The operating profit for the quarter was MSEK 98, up MSEK 41, or 72%, on the previous quarter mainly due to lower maintenance costs.

January-September

Compared with the same period in the previous year, the operating profit fell 39% to MSEK 230 mainly due to lower prices and reduced exchange rate effects.

Containerboard

Third quarter

The operating loss for the quarter was MSEK 20, down MSEK 31 on the previous quarter. The fall was mainly due to the negative effects on earnings of the maintenance stoppage carried out at Gruvön. Most of the Group's containerboard is produced at Gruvön.

January-September

The operating profit was MSEK 28, down MSEK 85, or 75%, on the previous year's level, mainly due to higher costs and a worse outcome of currency hedging.

Market pulp

Third quarter

The operating loss for the quarter was MSEK 44, down MSEK 21 on the previous quarter due to lower prices.

January-September

The operating loss was MSEK 74, down MSEK 248 on the same period last year mainly due to higher costs and a worse outcome of currency hedging.

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

MSEK	Jan-Sept 2005	Jan-Sept 2004	Full year 2004
Kraft paper	270	315	385
Containerboard	41	78	115
Market pulp	-25	42	34
Other, including one-off costs	-465	-42	-67
Total	-179	393	467

Cost reductions from Billerud 2007 organisation project

On 8 June 2005 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. 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. One-off costs for implementation amount to MSEK 400.

Share distribution

As of 30 September 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 nine months 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 in the interim report for the first quarter of 2005, pages 13-22 supplement 2, and below. 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 12.

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 either given a market value at the closing date or valued at the accrued acquisition value, 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 nine months of 2005 the corresponding effect of the market value meant a reduction in shareholders' equity of MSEK 10, MSEK 53 lower than the figure for 1 January 2005.

Outlook

Costs for wood raw materials, energy and chemicals are expected to remain high. The market price of long-fibre market pulp is currently rising and further increases are expected. The market situation for Billerud's packaging paper has continued to improve, which meant that Billerud has announced higher prices for most paper products from the final quarter of 2005 or the first quarter of 2006.

The operating profit for the full year 2005 is expected to reach around MSEK 150 before one-off costs for restructuring of the organisation (Billerud 2007 project) which are estimated at around MSEK 400. After the one-off costs the operating loss is expected to be around SEK 250. Currency hedging is expected to have a negative effect of MSEK 150 on earnings for the full year 2005.

Stockholm, Sweden
9 November 2005
Billerud AB (publ)

The Board of Directors

Review report

We have reviewed this interim report according to the recommendation issued by FAR. A review is significantly limited compared with an audit.

Nothing has been observed which would indicate that the interim report does not meet the requirements of the Stock Market Law and Annual Accounts Act.

Stockholm, 9 November 2005

<i>Caj Nackstad</i>	<i>Owe Wallinder</i>
<i>Authorised Public Accountant</i>	<i>Authorised Public Accountant</i>

Interim reports 2006

2005 Financial Statement	8 February 2006
First quarter 2006	3 May 2006
Second quarter 2006	27 July 2006
Third quarter 2006	15 November 2006

The Annual General Meeting will be held on 3 May 2006 at Aula Magna, Stockholm University.

Billerud Group

Supplement 1

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
	July-Sept 2005	Apr-Jun 2005	Jan-March 2005	July-Sept 2004	Jan-Sept 2005	Jan-Sept 2004	Jan-Dec 2004
MSEK							
Net turnover	1 638	1 704	1 739	1 822	5 081	5 406	7 159
Other income	3	3	2	2	8	6	9
Operating income	1 641	1 707	1 741	1 824	5 089	5 412	7 168
Raw materials and consumables	-705	-724	-741	-709	-2 170	-2 025	-2 766
Change in stock	-15	-32	-23	36	-70	-11	13
Other external expenses	-511	-467	-460	-464	-1 438	-1 448	-1 885
Staff expenses	-675	-360	-348	-312	-1 383	-998	-1 350
Depreciation	-102	-104	-103	-105	-309	-310	-399
Operating expenses	-2 008	-1 687	-1 675	-1 554	-5 370	-4 792	-6 387
Operating profit	-367	20	66	270	-281	620	781
Financial items	-23	-17	-17	-18	-57	-59	-74
Profit after financial items	-390	3	49	252	-338	561	707
Tax	109	-1	-14	-70	94	-159	-198
Net profit for the period	-281	2	35	182	-244	402	509
Earnings per share, SEK	-5.47	0.04	0.68	3.46	-4.75	7.58	9.66
Earnings per share after full conversion, SEK	-5.47	0.04	0.68	3.44	-4.75	7.55	9.62
Balance Sheet	30 Sept	30 Sept	30 June	31 March	31 Dec	1 Jan	
MSEK	2005	2004	2005	2005	2004	2005	
Fixed assets	5 143	4 577	4 951	4 809	4 702	4 702	
Stocks	691	703	723	707	749	749	
Accounts receivable	1 116	1 244	1 207	1 155	1 128	1 096	
Other current assets	249	168	259	180	170	277	
Cash, bank balances and short-term investments	597	588	669	401	378	378	
Total assets	7 796	7 280	7 809	7 252	7 127	7 202	
Shareholders' equity	2 452	3 020	2 679	3 089	3 037	3 080	
Interest-bearing liabilities	2 559	1 898	2 566	1 855	1 720	1 720	
Interest-bearing provisions, pensions	165	124	164	161	148	148	
Non-interest-bearing provisions	356	10	10	8	7	7	
Deferred tax liabilities	1 073	1 129	1 149	1 179	1 177	1 193	
Accounts payable	586	528	542	452	487	487	
Other, non-interest-bearing liabilities	605	571	699	508	551	567	
Total shareholders' equity, provisions and liabilities	7 796	7 280	7 809	7 252	7 127	7 202	
Specification of change in equity	Jan-Sept	Jan-Sept	Jan-June	Jan-March	Full year		
MSEK	2005	2004	2005	2005	2004		
Opening equity	3 037	3 194	3 037	3 037	3 194		
Adjustment for new accounting principles, IAS 39	43	-	43	43	-		
Adjusted opening equity according to IFRS	3 080	3 194	3 080	3 080	3 194		
Profit/loss for the period	-244	402	37	35	509		
Market value of financial instruments in accordance with IAS 39	-53	-	-107	-29	-		
Dividend	-334	-346	-334	-	-346		
Share buy-back	-	-229	-	-	-317		
Translation difference in shareholders' equity	3	-1	3	3	-3		
Closing equity	2 452	3 020	2 679	3 089	3 037		

Cash Flow Statement	Jan-Sept	Jan-Sept	July-Sept	Full year
MSEK	2005	2004	2005	2004
Operating surplus, etc 1)	383	966	78	1 185
Change in working capital, etc.	171	59	175	91
Net financial items, taxes, etc.	-88	-75	-28	-66
Cash flow from operating activities	466	950	225	1 210
Investment in fixed assets	-740	-362	-300	-568
Acquisition of Billerud Beetham Ltd	-	-213	-	-213
Disposal of fixed assets	1	3	-	4
Cash flow from investment activities	-739	-572	-300	-777
Change in interest-bearing debt	821	433	2	258
Dividend	-334	-346	-	-346
Share buy-back	-	-229	-	-317
Cash flow from financing activities	487	-142	2	-405
Total cash flow (= change in liquid assets)	214	236	-73	28
Liquid assets at the beginning of the period	378	353	669	353
Translation difference in liquid funds	5	-1	1	-3
Liquid assets at the end of the period	597	588	597	378

1) The amount for January-September 2005 includes an operating deficit of MSEK 281, returned depreciation of MSEK 309, a returned allocation for structural measures of MSEK 349, an increase in pension liabilities of MSEK 14 and other items of MSEK -8.

Key figures	Jan-Sept	Jan-Sept	Jan-Jun	Jan-March	Full year
	2005	2004	2005	2005	2004
Margins					
Gross margin, %	1	17	8	10	16
Operating margin, %	-6	11	2	4	11
<i>Return (rolling 12 months)</i>					
Return on capital employed, %	-3	19	11	13	17
Return on equity, %	-5	18	11	12	16
Return on equity after full conversion, %	-5	18	11	12	16
<i>Capital structure at end of period</i>					
Capital employed, MSEK	4 558	4 450	4 719	4 683	4 506
Shareholders' equity, MSEK	2 452	3 020	2 679	3 089	3 037
Interest-bearing net debt, MSEK	2 106	1 430	2 039	1 594	1 469
Net debt/equity ratio, times	0.86	0.47	0.76	0.52	0.48
Net debt/equity ratio after full conversion, times	0.84	0.46	0.74	0.50	0.47
Equity ratio, %	31	41	34	43	43
Equity ratio after full conversion, %	32	42	35	43	43
<i>Per share</i>					
Earnings per share, SEK	-4.75	7.58	0.72	0.68	9.66
Average no. of shares, '000	51 343	53 064	51 343	51 343	52 735
Earnings per share after full conversion, SEK	-4.75	7.55	0.72	0.68	9.62
Average no. of shares, '000	51 611	53 332	51 611	51 611	53 004
<i>Per share at end of period</i>					
Equity per share, SEK	47.76	57.94	52.18	60.17	59.16
No. of shares, '000	51 343	52 120	51 343	51 343	51 343
Equity per share after full conversion, SEK	48.08	58.20	52.48	60.43	59.41
No. of shares, '000	51 611	52 388	51 611	51 611	51 611
Gross investments, MSEK	740	362	440	203	568
Acquisition of Billerud Beetham Ltd	-	222	-	-	213
Average number of employees	2 624	2 628	2 571	2 556	2 623

Product areas

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

MSEK	2005			2004				
	III	II	I	Full year	IV	III	II	I
Kraft paper	884	919	927	3 613	878	904	929	902
Containerboard	486	499	509	2 131	568	573	470	520
Market pulp	268	286	303	1 415	307	345	365	398
Other and eliminations	-	-	-	-	-	-	-	-
Total Group	1 638	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				
	III	II	I	Full year	IV	III	II	I
Kraft paper	98	57	75	485	110	151	72	152
Containerboard	-20	11	37	171	58	96	-26	43
Market pulp	-44	-23	-7	192	18	45	59	70
Other and eliminations	-401	-25	-39	-67	-25	-22	-10	-10
Total Group	-367	20	66	781	161	270	95	255

Operating margin per product area and for the Group

%	2005			2004				
	III	II	I	Full year	IV	III	II	I
Kraft paper	11	6	8	14	13	17	8	17
Containerboard	-4	2	7	8	10	17	-5	8
Market pulp	-16	-8	-2	14	6	13	16	18
Group	-22	1	4	11	9	15	5	14

Quarterly delivery volumes per product area

000 tonnes	2005			2004				
	III	II	I	Full year	IV	III	II	I
Kraft paper	127	133	140	528	131	129	132	136
Containerboard	125	128	130	531	143	137	117	134
Market pulp	73	75	79	312	78	73	74	87
Total	325	336	349	1 371	352	339	323	357

Effects of introduction of IFRS on consolidated results for first nine months of 2004

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, and supplement 2 of the interim report for the second quarter of 2005, pages 13-14..

Consolidated profit and loss accounts

MSEK	January-Sept 2004			July-Sept 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	5 406		5 406	1 822		1 822
Other operating income	6		6	4		4
Operating income	5 412		5 412	1 824		1 824
Raw materials and consumables	-2 025		-2 025	-709		-709
Change in inventories	-11		-11	36		36
Other external costs	-1 442	-6	-1 448	-464	0 B1)	-464
Staff costs	-998		-998	-312		-312
Depreciation	-311	1	-310	-106	1 B2)	-105
Operating expenses	-4 787	-5	-4 792	-1 555	1	-1 554
Operating profit	625	-5	620	269	1	270
Financial items	-59		-59	-18		-18
Profit after financial items	566	-5	561	251	1	252
Taxes	-159	0	-159	-70	0 B3)	-70
Net profit for the year	407	-5	402	181	1	182
Earnings per share, SEK	7.68		7.58	3.44		3.46
Earnings per share after full conversion, SEK	7.68		7.55	3.42		3.44

¹⁾ Includes effects of changed principle concerning reporting of maintenance costs. Further details on page 13.

Specification of change in profit in accordance with IFRS	Jan-Sept 2004	July-Sept 2004
Profit for the period in accordance with previous accounting principles	407	181
B1) Change in costs for restructuring due to application of IFRS 3	-6	0
B2) Change in depreciation due to application of IFRS 3	1	1
B3) Change in deferred tax due to application of IFRS 3	0	0
Profit for the period using IFRS	402	182

Effects of introduction of IFRS on operating profit per product area

MSEK	January-September 2004			July-September 2004		
	Using previous accounting principles ¹⁾	Effect of introducing IFRS	Using IFRS	Using previous accounting principles ¹⁾	Effect of introducing IFRS	Using IFRS
Kraft paper	380	-5	375	150	1	151
Containerboard	113		113	96		96
Market pulp	174		174	45		45
Other and eliminations	-42		-42	-22		-22
Total Group	625	-5	620	269	1	270

¹⁾ Includes effects of changed principles concerning reporting of maintenance costs. For further details, see page 13.

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
Containerboard	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	-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 in accordance with IFRS	3 267	2 900	3 020	3 037