



BILLERUDKORSNÄS

YEAR-END REPORT JANUARY-DECEMBER 2013



SEKm	Q4 2013	Q3 2013	Δ, %	Q4 2012	Δ, %	Jan-Dec 2013	Jan-Dec 2012	Δ, %
Net sales	4 713	4 715	0%	3 068	54%	19 533	10 427	87%
EBITDA	535	656	-18%	269	99%	2 515	1 198	110%
Adjusted operating profit	226	331	-32%	127	78%	1 307	659	98%
Adjusted operating margin	5%	7%	-2	4%	1	7%	6%	1
Operating profit/loss	197	303	-35%	25	688%	1 113	489	128%
Net profit/loss for the period	103	186	-45%	361	-71%	686	677	1%
Earnings per share, SEK	0.48	0.88	-45%	2.51	-81%	3.24	5.14	-37%
Operating cash flow	143	109	31%	-276	N.M	655	40	1538%

SEK 4 713m

Net sales

SEK 226m

Adjusted
operating profit

5%

Adjusted
operating margin

Fourth quarter 2013

- Net sales amounted to SEK 4 713 million, the same level as in the previous quarter. Low sales volumes primarily caused by the planned maintenance shutdowns and seasonal destocking negatively impacted net sales.
- Adjusted operating profit reached SEK 226 million. The decrease of SEK 105 million from the previous quarter was mainly attributable to higher fixed costs.
- Operating profits are negatively impacted by the maintenance shutdowns in the production with approximately SEK 249 million.
- Towards the end of the fourth quarter results were negatively impacted with approximately SEK 70 million by unexpected production problems (as communicated on 21 January 2014).

Full year 2013 compared with the same period in 2012

- The increase in both net sales and adjusted operating profit was due to the acquisition of the two paper machines in Finland in June 2012 and the combination with Korsnäs in November 2012. Today, BillerudKorsnäs has a stronger platform for future growth on the attractive and expanding packaging market. This makes comparisons in the numbers between 2012 and 2013 not applicable.

Proposed dividend

- The Board of Directors proposes a dividend of SEK 2.25 per share for 2013.

Outlook

- The start of 2014 has been good and capacity utilisation is expected to improve for business area Packaging Paper during the first quarter compared to the fourth quarter.
- The outlook for all business areas is expected to remain stable during the first quarter. For the remaining quarters of 2014 business areas Packaging Paper and Containerboard are facing more competition.
- Prices in local currency are anticipated to stay on current level for the next quarter for all business areas. Business areas Containerboard and Packaging Paper are anticipating some pressure on prices in local currency beyond the first quarter.
- Wood prices are expected to stay on current level for the first half of 2014.
- The target of approximately SEK 530 million in annual synergies and savings is unchanged and is expected to be reached by the end of 2014.

For further information, please contact:

Per Lindberg, CEO, or Susanne Lithander, CFO, +46 (0)8 553 335 00

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 18 February 2014.



SEK 4 713m

Net sales Q4 2013

5%

Adjusted operating margin
Q4 2013



Per Lindberg
President and CEO, BillerudKorsnäs

Prices in local currency were stable
compared to the previous quarter.

COMMENTS BY CEO PER LINDBERG

STABLE FOURTH QUARTER RESULTS IMPACTED BY PRODUCTION PROBLEMS

“We have closed the books for the first successful year as the new company BillerudKorsnäs. It has been a year of change and I am very pleased to see that the integration is proceeding very well. The underlying performance in the fourth quarter was strong even if the production towards the end of the year suffered from some unexpected incidents. Our adjusted operating profit reached SEK 226 million corresponding to an adjusted operating margin of 5%. This includes some additional negative impact from the planned maintenance shutdowns and the previously announced costs for production problems of SEK 70 million.

During the quarter business has been relatively stable. We mostly saw stable demand, however with some typical year-end destocking. Prices were more or less stable as well. The start of 2014 has been quite good and we will run production on full capacity in the first quarter. The market will be more competitive and we are anticipating some pressure on prices in local currency for some of the products within business areas Containerboard and Packaging Paper beyond the first quarter.

We continue to realise synergies in a rapid pace, and we continue to expect to reach the target of SEK 530 million annual run-rate reduction during 2014. The integration efforts in 2014 are moving into the next phase when many new systems are implemented and new ways of working are introduced. Integration will therefore continue to be a high priority.

In November we had our first Capital Markets Day where we communicated how we are building a company to deliver value to customers and shareholders. It was well received and gave us further confidence to continue in building a value-creating world-class company for the long term.”

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 business areas Consumer Board and Containerboard continued to be stable. The order intake for business area Packaging Paper was lower than normal for the season for some product groups. Prices in local currency for the packaging materials segments were stable compared to the previous quarter.



SALES AND RESULTS

FOURTH QUARTER 2013 COMPARED TO THIRD QUARTER

SEKm	Q4 2013	Q3 2013	Δ, %
Net sales	4 713	4 715	0%
EBITDA	535	656	-18%
Adjusted operating profit	226	331	-32%
Adjusted operating margin	5%	7%	-2
Operating profit	197	303	-35%

Net sales on the same level as the third quarter.

Net sales were SEK 4 713 million, which is the same level as the third quarter and impacted by planned maintenance shutdowns.

Adjusted operating profit reached SEK 226 million, a decrease with SEK 105 million. The adjusted operating margin was 5% (7%).

Operating profit was SEK 197 million and net financial items amounted to SEK -70 million. Profit before tax was SEK 127 million and estimated tax was SEK -24 million. Net profit reached SEK 103 million.

CHANGE IN ADJUSTED OPERATING PROFIT COMPARED TO PREVIOUS QUARTER

SEKm	
Adjusted operating profit Q3 -13	331
Sales and production volumes, incl. product mix	-41
Selling prices (in respective sales currency)	33
Change in variable costs	-21
Change in fixed costs	-142
Change in depreciation	15
Effects of exchange rate fluctuations, incl. hedging*	50
Reversal of change in non-recurring items	1
Adjusted operating profit Q4 -13	226

* Effects of exchange rate fluctuations totalling SEK 50 million comprise the following components: change in spot rates SEK 11 million, currency hedging SEK -51 million and currency effects from revaluation of trade receivables and payments from customers SEK 90 million.

The decrease in profit level is attributable to higher fixed costs and lower volumes.

The adjusted operating profit decreased with SEK 105 million which is primarily explained by lower volumes and higher fixed costs.

The increase in fixed costs is explained by the planned maintenance shutdowns, seasonally higher personnel costs, and project costs amounting to SEK 11 million for closing the Pyrogrot project.

During the quarter there were planned maintenance shutdowns in the production units in Pietarsaari, Gävle and Gruvön. The fourth quarter also includes costs from the planned maintenance shutdown in Skärblacka. Total impact on the quarter of the planned maintenance shutdowns is SEK 249 million (209). In addition, unexpected production problems negatively impacted results with approximately SEK 70 million.

Variable costs were SEK 21 million higher in the period due to higher prices for electricity and decreased prices for green certificates.

Non-recurring costs for integration amounted to SEK 29 million in the fourth quarter.

FOURTH QUARTER 2013 COMPARED WITH FOURTH QUARTER IN 2012

Net sales increased by 54% and adjusted operating profit grew from SEK 127 million to SEK 226 million compared to the same period previous year due to the combination with Korsnäs.

FULL YEAR 2013 COMPARED WITH THE SAME PERIOD IN 2012

Net sales grew 87% to SEK 19 533 million and adjusted operating profit increased from SEK 659 million to SEK 1 307 million compared with the same period last year as an effect of acquisitions in 2012.

Net sales and profit growth by acquisitions.

SYNERGY REALISATION

Integration and realisation of synergies are progressing better than plan. Synergies, equivalent to an annual pace of approximately SEK 370 million were realised by the end of December. During the fourth quarter, synergies amounting to approximately SEK 90 million were realised. Non-recurring integration costs of SEK 29 million impacted the results for the quarter. Accumulated non-recurring costs for integration of approximately SEK 134 million have impacted the result for the year. Additional SEK 66 million in non-recurring integration costs are expected to impact the result during the coming six months to realise expected annual synergies and savings of SEK 530 million. The synergy target is expected to be reached by the end of 2014 and hence the integration project will be finalised ahead of originally anticipated time.

SYNERGY REALISATION

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEKm	2013	2013	2013	2013	2014*	2014*	2014*	2014*
Annual pace at end of resp period	155	260	300	370	410	450	490	530
Quarterly synergies**	32	44	79	90	99	109	119	129

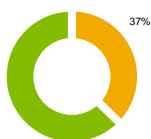
* Expected annual synergy realisation pace and expected quarterly synergies.

** Synergies and savings realised in the quarter, compared to if the synergy and savings programme had not been initiated.

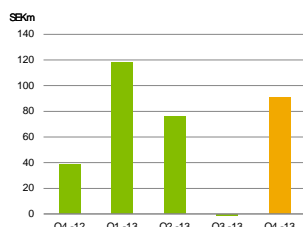
PACKAGING PAPER BUSINESS AREA

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.¹ The business area's largest markets are Europe and Asia.

SHARE OF GROUP'S NET SALES Q4 2013



OPERATING PROFIT



SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Net sales	1 758	1 820	1 717	7 279	6 837
Net operating expenses, other	-1 558	-1 702	-1 563	-6 527	-6 036
Depreciation and impairment	-109	-119	-115	-468	-449
Operating profit/loss	91	-1	39	284	352
Operating margin, %	5%	0%	2%	4%	5%
Sales volumes, ktonnes	263	269	254	1 080	1 011
<i>whereof packaging paper</i>	<i>170</i>	<i>182</i>	<i>172</i>	<i>750</i>	<i>670</i>

FOURTH QUARTER

Net sales decreased with SEK 62 million compared to the previous quarter, to SEK 1 758 million. The decrease was mainly attributable to product mix and year-end destocking effect.

Operating profit reached SEK 91 million, an increase of SEK 92 million compared to the previous quarter. The increase was mainly due to higher production volumes and lower costs following the extensive rebuild in Skärblacka during previous quarter. The profit impact in the fourth quarter of the rebuild in Skärblacka was approximately SEK 56 million and for quarter three and four together the impact was approximately SEK 219 million.

Compared to the fourth quarter in 2012, operating profit increased with SEK 52 million. The increase was mainly attributable to product mix.

FULL YEAR

Operating profit decreased with SEK 68 million compared to the previous year. The decrease was mainly attributable to higher negative impact from the extensive rebuild in Skärblacka during third and fourth quarter in 2013. Negative effect from less favourable currency situation was offset by improved prices in local currency. The machines acquired in Finland in June 2012, have had a positive impact on the operating profit.

¹ The Packaging Paper business area buys and sells pulp at market price. From 1 August 2013 the business area's net exposure in market pulp is estimated to average approximately 150 ktonnes annually.

MARKET DEVELOPMENT

The order situation for white sack paper was lower than normal for the year. For the remaining product groups the order situation was normal. Prices in local currency were slightly down compared to previous quarter due to new capacity entering the market.

The market for NBSK pulp improved during the quarter. Prices in Europe rose to approximately USD 910 per tonne at the end of the quarter, compared with approximately USD 890 per tonne at the beginning of the quarter.

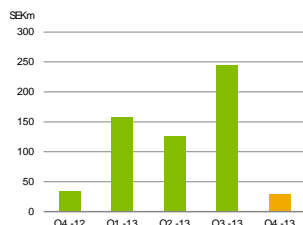
CONSUMER BOARD BUSINESS AREA

The Consumer Board business area develops and markets high-quality board for packaging for beverages, yoghurts, 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 Q4 2013



OPERATING PROFIT



SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Net sales	1 659	1 716	508	6 964	508
Net operating expenses, other	-1 452	-1 296	-414	-5 709	-414
Depreciation and impairment	-178	-176	-59	-698	-59
Operating profit/loss	29	244	35	557	35
Operating margin, %	2%	14%	7%	8%	7%
Sales volumes, ktonnes	231	236	71	959	71

FOURTH QUARTER

Net sales decreased with SEK 57 million compared to the previous quarter to SEK 1 659 million. The decrease was mainly attributable to seasonal year-end destocking.

Operating profit reached SEK 29 million in the fourth quarter which was SEK 215 million lower than previous quarter. This is mainly explained by costs for planned maintenance shutdown in Gävle. In addition, two unplanned longer stops in Frövi and quality related problems at the mill in Gruvön negatively impacted profits by SEK 40 million and SEK 30 million respectively. Higher fixed costs in the fourth quarter compared to the third quarter due to seasonally low personnel costs in the third quarter also impact profitability.

FULL YEAR

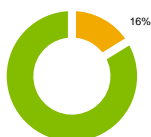
Business area Consumer Board was included in the group from 29 November 2012 with the combination with Korsnäs.

MARKET DEVELOPMENT

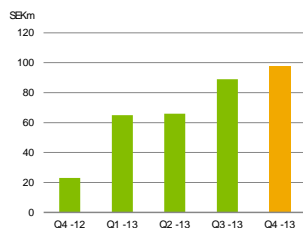
The order situation for liquid packaging board and cartonboard in the fourth quarter was stable and satisfactory with normal seasonal variances. Prices in local currency were stable compared with the previous quarter.



SHARE OF GROUP'S NET SALES Q4 2013



OPERATING PROFIT



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. The business area includes Paccess which strengthens BillerudKorsnäs' position to bring smarter packaging solutions to brand owners and is a further step in challenging conventional packaging.

SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Net sales	763	755	623	3 073	2 594
Net operating expenses, other	-620	-617	-554	-2 560	-2 200
Depreciation and impairment	-45	-49	-46	-195	-175
Operating profit/loss	98	89	23	318	219
Operating margin, %	13%	12%	4%	10%	8%
Sales volumes, ktonnes	126	134	120	552	510

FOURTH QUARTER

Net sales were SEK 763 million, which is slightly above the level for the third quarter. This is mainly related to the increased momentum from the combined BillerudKorsnäs sales organisation as well as product mix.

Operating profit reached SEK 98 million, an increase from previous quarter with SEK 9 million as a consequence of improved currency situation and improved prices in local currency. The operating profit is negatively impacted by the maintenance shutdown in Gruvön during the quarter.

Compared to the same period in 2012, operating profit increased with SEK 75 million. This is mainly attributable to better pricing in local currency and inclusion of White Top Liner that previously was part of Korsnäs.

FULL YEAR

Operating profit increased with SEK 99 million compared with the same period last year as a consequence of a more favourable price development in local currency and the inclusion of White Top Liner. Paccess achieves a strong top line growth as well as increased gross margin.

MARKET DEVELOPMENT

The order situation in the fourth quarter was stable. Average selling prices in local currency improved during the quarter.



CURRENCY HEDGING

SEK -33 million earnings impact for the quarter.

During 2013, net flows were hedged at EUR/SEK 8.68 (9.14), USD/SEK 6.65 (6.78) and GBP/SEK 10.32 (10.72). Currency hedging had an overall earnings impact of SEK -33 million (18) for the fourth quarter and SEK 12 million (142) for 2013 (compared with if no hedging had taken place).

BillerudKorsnäs' outstanding forward exchange contracts at 31 December 2013 had a market value of SEK -16 million, whereof SEK -14 million is the part of the contracts matched by trade receivables, affected earnings in the fourth quarter. Other contracts had a market value of SEK -2 million.

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

Currency		Q1 -14	Q2 -14	Q3 -14	Q4 -14	Total 12 months
EUR	Share of net flow	100%	100%	100%	100%	100%
	Rate	8.79	8.91	8.99	9.05	8.94
USD	Share of net flow	90%	60%	33%	17%	50%
	Rate	6.58	6.63	6.62	6.59	6.60
GBP	Share of net flow	90%	60%	35%	15%	50%
	Rate	10.26	10.40	10.44	10.64	10.36
Market value of currency contracts*		-19	-4	1	6	-16

*On 31 December 2013.

100% of forecasted net flows in EUR hedged for 2014.

BillerudKorsnäs continuously hedges approximately 50% of forecasted net flows over the coming 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. For 2014 the company has increased the hedge for EUR to 100% of forecasted net flows at an exchange rate of SEK 8,94.

INVESTMENTS AND CAPITAL EMPLOYED

SEK 364 million in gross investments for the quarter.

Gross investments including business combinations amounted to SEK 364 million (8 325) for the fourth quarter and SEK 1 268 million (9 913) during 2013. The reduction from previous year is explained by the acquisition of the two paper machines in Finland in June 2012 and the acquisition of Korsnäs in November 2012.

During the quarter the Board of Directors approved the first investments for increasing capacity in Frövi and Gävle all in line with the growth plans the company has within the attractive liquid packaging board market.

BillerudKorsnäs' capital employed at 31 December 2013 amounted to SEK 17 607 million (17 530). Return on capital employed, calculated over the past 12-month period, amounted to 6% (8%). If the effects of currency hedging are excluded, return on capital employed was 6% (5%). Return on equity after tax was 7% (13%).

During the last quarter additional initiatives were started to address and optimise the working capital level. Working capital was negatively impacted by the level of accounts payable decrease during the year compared to the previous year. The reduction was mainly driven by high investment level towards the end of 2012.

RETURN, % (ROLLING 12 MONTHS)





CASH FLOW AND FINANCIAL POSITION

SUMMARY CASH FLOW STATEMENT

SEKm	Quarter		Jan-Dec	
	Q4 -13	Q4 -12	2013	2012
Operating surplus, etc.	505	309	2 582	1 282
Change in working capital, etc.	-50	-37	-336	124
Net financial items, taxes, etc.	51	-100	-401	-414
Cash flow from operating activities	506	172	1 845	992
Current net investments	-363	-448	-1 190	-952
Operating cash flow	143	-276	655	40

Operating cash flow in 2013 amounted to SEK 655 million (40) due to the increase in operating surplus as the overall business has grown by acquisitions.

Net interest-bearing debt on 31 December 2013 was SEK 7 691 million (8 096). The Group's net debt/equity ratio at the end of the period was 0.78 (0.86). BillerudKorsnäs' financial target for its net debt/equity ratio is that it should be less than 0.90.

Under the section Accounting principles on page 11, the effect of consolidating Bomhus Energi AB from January 2014 is shown. To be noted is that the net debt/equity ratio would have increased to 0.85 if the new principle would have been applied in 2013.

FINANCING

Interest-bearing loans amounted to SEK 7 532 million on 31 December 2013. Of this amount, utilisation of the syndicated credit facility (maximum: SEK 5 500 million) accounted for SEK 813 million, bond loans for SEK 1 644 million, utilisation of BillerudKorsnäs' commercial paper program (maximum: SEK 3 000 million) for SEK 2 457 million and other interest-bearing liabilities for SEK 2 618 million.

TAXES

The tax cost 2013 amounted to SEK 142 million, equal to approximately 17% of profit before tax. The low tax cost was mainly explained by additional effects of the decrease in corporate tax rate in Sweden from 2013-01-01 from 26,3% to 22% (SEK -17 million), and the release of a tax provision that will not be realised (SEK -13 million).

PARENT COMPANY

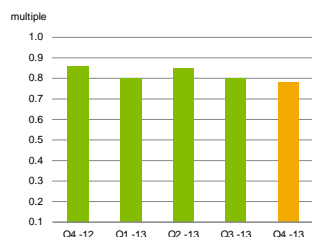
The parent company BillerudKorsnäs AB includes the Grevön production unit, the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Net sales for 2013 amounted to SEK 3 816 million (4 160). Operating profit reached SEK 205 million, which was on the same level as in 2012.

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. This result amounted to SEK 12 million (142) in 2013.

Investments in property, plant and equipment and intangible assets excluding shares in 2013 amounted to SEK 136 million (160). The average number of employees was 948 (941). Cash and bank balances and short-term investments amounted to SEK 292 million (556).

DEBT/EQUITY RATIO
AT THE END OF THE QUARTER





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, ¹ SEKm	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown		
		Packaging	Consumer	Container-board	2015	2014	2013
		Paper	Board				
Gävle	~ 120	~ 5%	~ 80%	~ 15%	Q3	Q4	Q4
Gruvön	~ 120	~ 40%	~ 5%	~ 55%	Q2	Q2	Q4
Frövi	~ 65	0%	100%	0%	Q3	Q3	Q2
Skärblacka	~ 75	~ 85%	0%	~ 15%	Q2	Q3	Q3
Karlsborg	~ 55	100%	0%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	0%	Q3	Q2	Q4

In the beginning of the fourth quarter production was started up after the environmental and energy investment in connection to the yearly maintenance shutdown in Skärblacka. The profit impact in the fourth quarter was approximately SEK 56 million and for quarter three and four together the impact was approximately SEK 219 million.

¹ Maintenance shutdowns at Beetham, Rockhammar and Tervasaari have an insignificant effect on BillerudKorsnäs' total earnings.



LARGEST SHAREHOLDERS

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (30 DECEMBER 2013)



BillerudKorsnäs is listed on NASDAQ OMX Stockholm.

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungholding AG	31 300 000	15.1
Nordea Funds	17 015 589	8.2
Swedbank Robur Funds	13 394 625	6.5
AMF Insurance & Funds	12 819 347	6.2
Fourth Swedish National Pension Fund	11 682 290	5.7
Alecta	8 062 000	3.9
SHB Funds	7 649 466	3.7
Lannebo Funds	5 985 720	2.9
Norges Bank Investment Management	5 866 559	2.8
DFA Funds (USA)	4 595 708	2.2
Total 10 largest shareholders	118 371 304	57.2
Total number of shares in the market	206 719 689	100.0

Source: SIS Ägarservice AB. Excludes BillerudKorsnäs' approximately 1.5 million bought-back shares and foreign custodian banks.

The total number of shareholders (including nominee-registered) was 102 315. The proportion of foreign ownership was 29.4% of the number of shares in the market. More information about shareholder structure is available at www.billerudkorsnas.com/investor-relations.

DISTRIBUTION OF SHARES

DISTRIBUTION OF SHARES (30 DECEMBER 2013)

Registered number of shares	208 219 834
Bought back shares	-1 500 145
Total number of shares in the market	206 719 689

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.

Solna, 17 February 2014
 BillerudKorsnäs AB (publ)
 Board of Directors



FINANCIAL CALENDAR

Interim report January-March 2014	24 April 2014
Interim report January-June 2014	21 July 2014
Interim report January-September 2014	28 October 2014

Annual Report for 2013 will be published 2 April 2014

The 2014 Annual General Meeting will be held on 6 May 2014

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. 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.

IFRS 11 Joint arrangements and amendment to IAS 28 Associates and joint ventures, will be applied from 2014. The partly (50%) owned Bomhus Energi AB will be considered as a joint arrangement and will be included by proportionate consolidation. An application of IFRS 11 2013 should have affected the operating profit with SEK 24 million and the financial items with SEK -24 million. The capital employed should have increased with SEK 664 million and interest-bearing net debt increased with SEK 664 million. The return on capital employed should have been affected marginally and the net debt/equity ratio should have increased from 0.78 to 0.85. Cash flow from operating activities should have been affected with SEK 38 million, investments SEK -60 million and operating cash flow SEK -22 million.

<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.</p>
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BILLERUDKORSNÄS GROUP
INCOME STATEMENT

SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Net sales	4 713	4 715	3 068	19 533	10 427
Other income	31	29	10	129	27
Operating income	4 744	4 744	3 078	19 662	10 454
Change in inventories	79	13	150	-43	77
Raw materials and consumables	-2 517	-2 405	-1 679	-10 181	-5 413
Other external costs	-1 038	-1 020	-755	-3 980	-2 268
Employee benefits expense	-739	-677	-526	-2 956	-1 654
Depreciation and impairment of non-current assets	-338	-353	-244	-1 402	-709
Profit/Loss from participations in associated companies	6	1	1	13	2
Operating expenses	-4 547	-4 441	-3 053	-18 549	-9 965
Operating profit/loss	197	303	25	1 113	489
Financial income and expenses	-70	-73	-56	-285	-87
Profit/Loss before tax	127	230	-31	828	402
Taxes	-24	-44	392	-142	275
Net profit/loss for the period	103	186	361	686	677
Profit/Loss attributable to:					
Owners of the parent company	100	183	361	671	677
Non-controlling interests	3	3	-	15	-
Net profit/loss for the period	103	186	361	686	677
Earnings per share, SEK	0.48	0.88	2.51	3.24	5.14
Diluted earnings per share, SEK	0.48	0.88	2.50	3.24	5.12

STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Net profit/loss for the period	103	186	361	686	677
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains or losses on defined benefit pension plans ¹	-11	101	-6	89	-6
Tax attributable to items not to be reclassified to profit or loss	2	-22	-2	-20	-2
Total items never reclassified to profit or loss	-9	79	-8	69	-8
Items that have been or may be reclassified subsequently to profit or loss					
Differences arising from the translation of foreign operations' accounts	54	-18	21	67	-56
Change in fair value of shareholding in Bergvik Skog	12	10	8	44	8
Change in fair value of cash flow hedges	-24	43	-30	-23	8
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	5	-9	8	5	-2
Total items that have been or may be reclassified subsequently to profit or loss	47	26	7	93	-42
Total comprehensive income for the period	141	291	360	848	627
Attributable to:					
Owners of the parent company	136	288	360	831	627
Non-controlling interests	5	3	-	17	-
Total comprehensive income for the period	141	291	360	848	627

¹ The discount rate used in the calculation of pension commitments has been changed from 3,0% in 2012, to 3,75% in 2013. Other actuarial assumptions are unchanged.



STATEMENT OF CHANGES IN EQUITY

SEKm	Full year	
	2013	2012
Opening balance¹	9 435	4 823
Comprehensive income for the period	848	627
Acquisition of partly owned subsidiaries, with non-controlling interests previously	-	43
Issue in kind	-	2 367
Rights issue	42	1 935
Share-based payment to be settled in equity instruments	5	1
Dividends paid	-413	-361
Closing balance	9 917	9 435
Equity attributable to:		
Owners of the parent company	9 856	9 391
Non-controlling interests	61	44
Closing balance	9 917	9 435

¹ Due to changes in IAS 19, opening balance for 2012 has been restated to SEK 4 823 million.



BALANCE SHEET

SEKm	31 Dec 2013	30 Sep 2013	31 Dec 2012
Intangible assets	2 657	2 682	2 691
Property, plant and equipment	13 797	13 723	13 854
Other non-current assets	1 127	1 126	1 100
Inventories	3 010	2 988	3 146
Accounts receivable	2 380	2 382	2 244
Other current assets	830	750	943
Cash and cash equivalents	484	512	745
Total assets	24 285	24 163	24 723
Equity attributable to owners of the parent company ^{1 3}	9 856	9 719	9 391
Non-controlling interests	61	56	44
Total equity	9 917	9 775	9 435
Interest-bearing liabilities	4 574	5 721	5 405
Provisions for pensions ^{1 2 4}	732	733	832
Other provisions	42	43	83
Deferred tax liabilities ³	2 691	2 651	2 561
Total non-current liabilities	8 039	9 148	8 881
Interest-bearing liabilities	2 958	1 999	2 700
Accounts payables	1 726	1 696	2 549
Other liabilities and provisions ²	1 645	1 545	1 158
Total current liabilities	6 329	5 240	6 407
Total equity and liabilities	24 285	24 163	24 723

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 have been made 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. 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.

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

2 Liability related to special payroll tax on pension costs as per 1 January 2012 amounting to SEK 4 million, previously recognised as Other short term liabilities and provisions has been reclassified to Provisions for pension. Corresponding liability related to special payroll tax on pension costs as per 31 December 2012 amounting to SEK 2 million has been reclassified from Other short term liabilities and provisions to Provisions for pensions.

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 Deferred tax receivable as per 1 January 2012 has been calculated with 26.3% of increased pension liability amounting to SEK 18 million. Corresponding deferred tax receivable as per 31 December 2012 has been calculated with 22% of increased pension liability amounting to SEK 16 million.

Revised opening balance for total equity as per 1 January 2012 amounted to SEK 4 823 million.

4 The discount rate used in the calculation of pension commitments has been changed from 3,0% in 2012, to 3,75% in 2013. Other actuarial assumptions are unchanged.



STATEMENT OF CASH FLOW

SEKm	Quarter			Full year	
	Q4 -13	Q3 -13	Q4 -12	2013	2012
Operating surplus, etc. *	505	628	309	2 582	1 282
Change in working capital, etc.	-50	-121	-29	-336	132
Net financial items, taxes, etc.	51	-181	-98	-401	-412
Cash flow from operating activities	506	326	182	1 845	1 002
Investments in property, plant and equipment	-364	-293	-440	-1 274	-955
Acquisition of financial assets	-	-	-10	-3	-10
Disposal of financial assets	-	-	-1	-	339
Business combinations	-	9	-5 508	9	-6 581
Disposal of property, plant and equipment	1	76	2	87	13
Cash flow from investing activities	-363	-208	-5 957	-1 181	-7 194
Change in interest-bearing receivables	6	-	-46	6	-46
Change in interest-bearing liabilities	-193	-64	4 014	-581	4 488
Dividend	-	-	-	-413	-361
Rights issue	-	-	1 935	42	1 935
Cash flow from financing activities	-187	-64	5 903	-946	6 016
Total cash flow (=change in cash and cash equivalents)	-44	54	128	-282	-176
Cash and cash equivalents at start of period	512	464	620	745	929
Translation differences in cash and cash equivalents	16	-6	-3	21	-8
Cash and cash equivalents at the end of the period	484	512	745	484	745

*The amount for the period January - December 2013 takes into account operating profit of SEK 1 113 million, reversed depreciation SEK 1 402 million, decrease in pension liabilities SEK -35 million, other provisions SEK 25 million, capital result SEK 4 million, result from associated companies SEK -13 million, expensed indirect acquisition costs SEK 2 million, net of produced and sold electricity certificates and sold emission rights SEK 79 million and incentive programmes SEK 5 million. The amount for the period January - December 2012 takes into account operating profit of SEK 489 million, reversed depreciation SEK 709 million, increase in pension liabilities SEK 23 million, other provisions SEK 2 million, capital result SEK 7 million, expensed indirect acquisition costs SEK 34 million and net of produced and sold electricity certificates and sold emission rights SEK 18 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
Group 31 December 2013						
Other shares and participations	-	-	781	-	781	781
Long-term receivables	-	92	-	-	92	92
Accounts receivable	-	2 380	-	-	2 380	2 380
Other receivables	27	323	-	-	350	350
Cash and cash equivalents ¹	-	484	-	-	484	484
Total	27	3 279	781	-	4 087	4 087
Non-current interest-bearing liabilities	-	-	-	4 574	4 574	4 543
Current interest-bearing liabilities	-	-	-	2 958	2 958	2 958
Accounts payable	-	-	-	1 726	1 726	1 726
Other liabilities	41	-	-	137	178	178
Total	41	-	-	9 395	9 436	9 405
Group 31 December 2012						
Other shares and participations	-	-	737	-	737	737
Long-term receivables	-	97	-	-	97	97
Accounts receivable	-	2 244	-	-	2 244	2 244
Other receivables	29	480	-	-	509	509
Cash and cash equivalents ¹	-	745	-	-	745	745
Total	29	3 566	737	-	4 332	4 332
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
Total	20	-	-	10 826	10 846	10 846

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.

The assessment is that the total carrying amount and fair value is consistent and there is no offset.



KEY FIGURES

	Full year	
	2013	2012
Margins		
Gross margin, %	13	11
Operating margin, %	6	5
Return (rolling 12 months)		
Return on capital employed, %	6	8
Return on total capital, %	5	4
Return on equity, %	7	13
Return on equity after dilution, %	7	13
Capital structure at end of period		
Capital employed, SEKm	17 607	17 530
Equity, SEKm	9 917	9 435
Interest-bearing net debt, SEKm	7 691	8 096
Net debt/equity ratio, multiple	0.78	0.86
Net debt/equity ratio after dilution, multiple	0.77	0.85
Equity ratio, %	41	38
Equity ratio after dilution, %	41	39
Key figures per share		
Earnings per share, SEK	3.24	5.14
Average number of shares, thousands	206 632	131 852
Earnings per share after dilution, SEK	3.24	5.12
Average number of shares after dilution, thousands	207 051	132 157
Cash flow from operating activities per share, SEK	8.93	7.60
Operating cash flow per share, SEK	3.17	0.38
Equity per share, SEK	47.68	45.47
Number of share at the end of the period, thousands	206 720	206 501
Equity per share after dilution, SEK	47.58	45.41
Number of share at the end of the period, thousands	207 139	206 806
Other key figures		
Gross investments, SEKm	1 277	965
Business combinations, SEKm	-9	8 948
Average number of employees	4 270	2 548

QUARTERLY KEY FIGURES

	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12
Earnings per share, SEK	0.48	0.88	0.81	1.07	2.51	0.80	0.92	0.75
Cash flow from operating activities per share, SEK	2.45	1.58	2.55	2.35	1.20	3.83	1.66	0.92
Return on capital employed, %	1	2	2	2	0	3	3	3
Return on equity, %	1	2	2	2	7	2	2	2
Equity per share, SEK	47.68	47.01	45.62	46.65	45.47	36.98	36.43	38.59



PARENT COMPANY
SUMMARISED INCOME STATEMENT

SEKm	Quarter		Full year	
	Q4 -13	Q4 -12	2013	2012
Operating income	927	860	3 841	3 856
Operating expenses	-878	-933	-3 636	-3 653
Operating profit/loss	49	-73	205	203
Financial income and expenses	-46	-34	-191	-18
Profit/Loss after financial income and expenses	3	-107	14	185
Appropriations	-1 236	1 438	-1 231	1 438
Profit/Loss before tax	-1 233	1 331	-1 217	1 623
Taxes	276	-246	272	-318
Net profit/loss for the period	-957	1 085	-945	1 305

SUMMARISED BALANCE SHEET

SEKm	31 Dec 2013	31 Dec 2012
Subscribed capital unpaid	-	42
Non-current assets	13 109	14 622
Current assets	4 851	3 704
Total assets	17 960	18 368
Shareholders' equity	7 020	8 378
Untaxed reserves	2 135	346
Provisions	487	759
Interest-bearing liabilities	7 324	7 539
Other liabilities	994	1 346
Total equity and liabilities	17 960	18 368



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 AB, Diacell AB, the Latgran Group, white kraft and sack paper at the Gävle production unit (PM2) until it was sold 1st of August 2013 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	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Jan-Dec 2013	Jan-Dec 2012
Packaging Paper	1 758	1 820	1 846	1 855	1 717	1 925	1 668	1 527	7 279	6 837
Consumer Board	1 659	1 716	1 784	1 805	508	-	-	-	6 964	508
Containerboard	763	755	758	797	623	634	674	663	3 073	2 594
Other units	507	437	547	650	183	52	79	79	2 141	393
Currency hedging, etc.	26	-13	38	25	37	17	19	22	76	95
Group staff and eliminations	-	-	-	-	-	-	-	-	-	-
Total Group	4 713	4 715	4 973	5 132	3 068	2 628	2 440	2 291	19 533	10 427

OPERATING PROFIT QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Jan-Dec 2013	Jan-Dec 2012
Packaging Paper	91	-1	76	118	39	84	145	84	284	352
Consumer Board	29	244	126	158	35	-	-	-	557	35
Containerboard	98	89	66	65	23	73	67	56	318	219
Other units	-4	11	-5	34	9	20	9	10	36	48
Currency hedging, etc.	26	-13	38	25	37	17	19	22	76	95
Group staff and eliminations	-43	-27	-45	-43	-118	-33	-79	-30	-158	-260
Total Group	197	303	256	357	25	161	161	142	1 113	489

OPERATING PROFIT¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Jan-Dec 2013	Jan-Dec 2012
Packaging Paper	168	187	88	118	103	161	145	84	561	493
Consumer Board	148	244	241	206	79	-	-	-	839	79
Containerboard	151	110	66	65	70	77	67	56	392	270
Other units	-4	11	-5	34	9	20	9	10	36	48
Currency hedging, etc.	26	-13	38	25	37	17	19	22	76	95
Group staff and eliminations	-14	1	5	-16	-52	-17	-41	-16	-24	-126
Total Group	475	540	433	432	246	258	199	156	1 880	859
Costs for maintenance shutdowns	-249	-209	-115	-	-119	-81	-	-	-573	-200
Non-recurring items	-29	-28	-62	-75	-102	-16	-38	-14	-194	-170
Operating profit	197	303	256	357	25	161	161	142	1 113	489

OPERATING MARGIN¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

%	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Jan-Dec 2013	Jan-Dec 2012
Packaging Paper	10	10	5	6	6	8	9	6	8	7
Consumer Board	9	14	14	11	16	-	-	-	12	16
Containerboard	20	15	9	8	11	12	10	8	13	10
Group	10	11	9	8	8	10	8	7	10	8

SALES VOLUMES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

ktonne	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Q2 -12	Q1 -12	Jan-Dec 2013	Jan-Dec 2012
Packaging Paper	263	269	273	275	254	283	242	232	1 080	1 011
Consumer Board	231	236	242	250	71	-	-	-	959	71
Containerboard	126	134	142	150	120	130	132	128	552	510
Total	620	639	657	675	445	413	374	360	2 591	1 592

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



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 programmes.

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 programmes divided by the number of shares in the market at the end of the period after estimated utilisation of incentive programmes.

Equity ratio

Shareholders' equity as a percentage of total assets.

Equity ratio after dilution

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

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 programmes.

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 programmes.

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 attractive 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 but the company has a clear focus to grow in other parts of the world.

BillerudKorsnäs Aktiebolag (publ)
Postal address: Box 703, SE-169 27 Solna, Sweden
Visitors' address: Frösundaleden 2b
Reg. no. 556025-5001
Tel +46 8 553 335 00, Fax +46 8 553 335 60
ir@billerudkorsnas.com, www.billerudkorsnas.com