



BILLERUDKORSNÄS

Strong
performance and
structural
opportunities

INTERIM REPORT January–September 2015

KEY HIGHLIGHTS

- Net sales for the quarter was SEK 5 478 million (5 191).
- Earnings per share for the quarter was SEK 3.49 (1.48).
- Operating profit was SEK 1 026 million (450) and adjusted for non-recurring items it was SEK 683 million (518).
- Non-recurring items in the quarter include capital gain from the divestiture of SIA Latgran, SEK 443 million, and a provision for closure of the Tervasaari site*, SEK -100 million.
- Net sales Jan-Sep 2015 increased 6% and operating profit, adjusted for non-recurring items, increased 25% compared to the same period last year mainly due to currency.

Outlook

- Demand and orders situation for the fourth quarter is expected to be stable with normal seasonal variances for all business areas.
- Average prices in local currency in the fourth quarter are anticipated to be stable.
- No changes to wood prices are anticipated for the fourth quarter.
- There are planned maintenance shutdowns in Frövi, Skärblacka and Pietarsaari in the fourth quarter of 2015.

KEY FIGURES

SEKm	Q3 2015	Q3 2014	Change	Jan-Sep 2015	Jan-Sep 2014	Change
Net sales	5 478	5 191	6%	16 601	15 729	6%
EBITDA	1 384	792	75%	3 332	2 470	35%
Adjusted EBITDA	1 041	860	21%	2 989	2 569	16%
Adjusted EBITDA, %	19%	17%		18%	16%	
Operating profit	1 026	450	128%	2 266	1 441	57%
Adjusted operating profit	683	518	32%	1 923	1 540	25%
Adjusted operating margin, %	12%	10%		12%	10%	
Net profit/loss for the period	862	311	177%	1 769	972	82%
Earnings per share, SEK	3.49	1.48	136%	7.79	4.62	69%
Adjusted earnings per share, SEK	2.41	1.74	39%	6.71	4.99	34%
Operating cash flow	541	494	10%	1 597	1 312	22%
ROCE, %	N/A	N/A		15%	9%	
Working Capital, % of net sales	12%	12%		12%	12%	
Net debt/equity ratio	0.46	0.73		0.46	0.73	

*) provision in accordance with IAS 37 has been made in the financial statements

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 21 October 2015.



Comments by CEO

Strong performance and structural opportunities



Per Lindberg,
President and CEO

SEK 5 478 m
NET SALES

SEK 683 m
ADJUSTED OPERATING PROFIT

SEK 1 026 m
OPERATING PROFIT INCLUDING
NON-RECURRING ITEMS

12%
ADJUSTED OPERATING MARGIN

“The third quarter performance and overall market situation strengthen our belief in our long-term strategic direction. The growth strategies per Business Area were confirmed, and our belief, that the contemplated investments in our own production structure will allow us to capture market opportunities, is strengthened.”

THE RESULT

I am pleased with the adjusted operating profit for the quarter of SEK 683 million. Of course the continued weak SEK continues to be a positive profit driver, but at the same time we see 5% year on year volume growth in Consumer Board in line with our targets, record margins in Containerboard, and a balanced development for Packaging Paper with some weaker and some stronger areas. Simultaneously, our ROCE is above target at 14% adjusted and our balance sheet strengthens further to a net debt/equity ratio of 0.46.

MARKET OUTLOOK

The overall market is stable, thus continuing sideways with only minor variations in segment demand and pricing. Looking ahead, we expect this pattern to continue with normal demand patterns and small variations in local pricing.

Within Packaging Paper the MG markets are continued strong, whereas MF and white sack paper markets are weaker but stable. Unfortunately, the market has not been strong enough to absorb the announced price increases for kraft and sack paper earlier in the year. Our production capacity in some segments has not been fully utilized due to increased competition, selective pressure on local prices, and in the non-integrated mills also due to unsatisfactory profitability. As a consequence, we have in October taken the decision to close our production in Tervasaari completely, after having run it underutilized during the year with insufficient profitability. This has been a tough decision to make. The local team in Tervasaari has made significant efforts to improve profitability and utilization, but the cost position of the machine in combination with an increasingly commoditized product portfolio proved too big of a burden to carry.

Consumer Board market continues to be strong and we are experiencing delivery pressures from our main markets. I am happy we have decided to invest in increased capacity in Consumer Board for continued volume growth.

Business area Containerboard noted an all-time high operating margin. Fluting demand continue to be strong. The new flute from the upgraded PM6 in Gruvön lives up to the high quality expectations and is a solid product for continued value growth. The liner segment shows a stable demand and attempts for price increases has been made on the market even with more capacity coming on line upstream.

STRATEGY

Growing demand driven by global megatrends favours our markets and to support the volume growth strategy within business area Consumer Board we have started a pre-project investigating the opportunity to invest in a new board machine to be placed in Gruvön. In addition to increased cost efficient capacity it would also include a streamlining of the production structure within business area Packaging Paper as the current production of kraft papers at the Gruvön production unit would be discontinued and replaced by production at other BillerudKorsnäs units. This supports business area Packaging paper’s selective growth strategy and in a second pre-project we focus our efforts on further structural changes to enable growth in the attractive growing kraft paper segments within medical papers, food packaging and release liners and the discontinuation in the less attractive commodity segments. The investigation explores the possibility of moving the paper machine in Tervasaari to Skärblacka and make it an integrated unit, as well as investment in further value adding surface treatment capacity at existing MG paper production in Skärblacka.

Should both pre-projects materialise it would imply an overall efficient production structure for the group, capacity increases in very attractive areas and improved margins due to better product mix including removal of any exposure to the pulp market.

Sales and results

Sales in line with previous quarter and profit impacted positively by seasonally lower personnel costs during the vacation period.

Volume growth and favorable SEK development drives net sales increase and profit improvement compared to previous year.

Q3 2015 COMPARED TO Q2 2015

Sales for the third quarter were on the same level as previous quarter. Increased sales in Containerboard following the ramp-up after the maintenance shutdown in Gruvön were offset by reduced sales related to the divestment of Latgran.

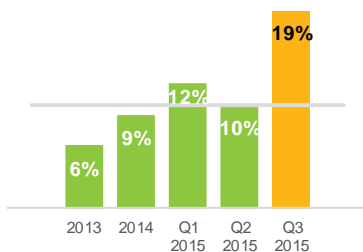
Adjusted operating profit, excluding effects related to Latgran and Tervasaari, increased by 26% following seasonally lower personnel costs during the vacation period.

Q3 2015 COMPARED TO Q3 2014

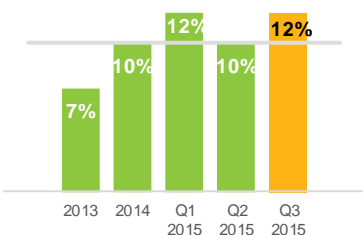
Sales growth for the Group was 6%, driven by increased volumes and a favorable currency development related to the weakened SEK. Containerboard volumes increased 9% due to growth within the Fluting-, as well as Liner segment. For business area Packaging Paper volumes grew by 2% mainly due to increased pulp production. Volumes for Consumer Board grew according to target.

The impact on operating profit from the positive sales development as well as reduced cost for planned maintenance shutdowns was to some extent offset by the negative currency development on externally purchased raw material. The quarterly profit was also affected by the non-recurring items related to the divestment of Latgran and the closing of Tervasaari.

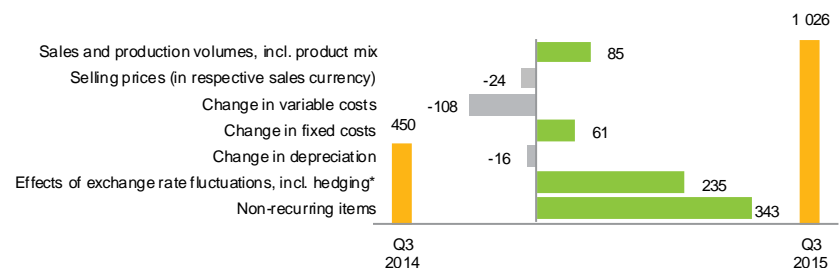
OPERATING MARGIN
TARGET LEVEL >10%



ADJUSTED OPERATING MARGIN
TARGET LEVEL >10%



CHANGE IN OPERATING PROFIT Q3 2015 COMPARED TO Q3 2014, SEKm



* Effects of exchange rate fluctuations totalling SEK 235 million comprise the following components: change in spot rates SEK 207 million, currency hedging SEK 36 million and currency effects from revaluation of trade receivables and payments from customers SEK -8 million.



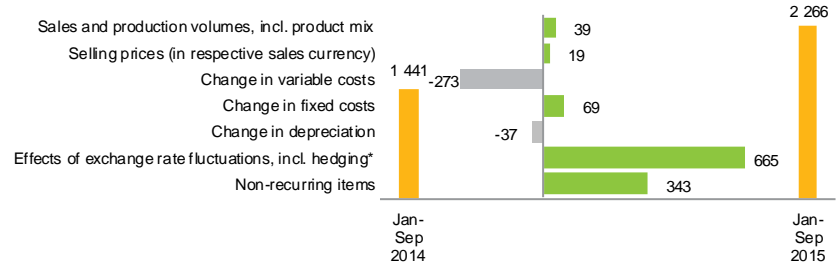
The underlying operating profit grew by 25% due to increased sales related to currency situation, which was offset by increased variable costs.

JAN-SEP 2015 COMPARED TO JAN-SEP 2014

The favorable currency development had a positive impact on the Group and sales increased with 6%. The liquid packaging board segment continued to grow and business area Consumer Board showed a 5% volume increase. Business area Packaging Paper had lower volumes due to increased competition from additional capacity on the MF kraft paper market and a temporary slowdown on brown sack. This was to some extent balanced by increased volumes of pulp. Containerboard was negatively impacted in Q2 by volume losses in connection to the rebuild of PM6 in Gruvön.

The underlying operating profit for the Group increased with 25% due to a favorable currency situation, which was offset by the currency impact on externally purchased material. Operating margin developed positively and reached 14%, which is well above target. Excluding the effects related to non-recurring items operating margin reached 12%.

**CHANGE IN OPERATING PROFIT
JAN-SEP 2015 COMPARED TO JAN-SEP 2014, SEKm**



* Effects of exchange rate fluctuations totalling SEK 665 million comprise the following components: change in spot rates SEK 743 million, currency hedging SEK -19 million and currency effects from revaluation of trade receivables and payments from customers SEK -59 million.

NON-RECURRING ITEMS

During the quarter the company had non-recurring items impacting the operating profit positively with SEK 343 million.

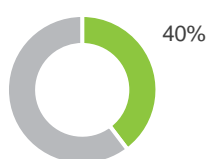
Capital gains from the divestiture of SIA Latgran accounted for SEK 443 million. On October 14 it was decided after union negotiations to close the production at the Tervasaari site from September 30, 2016. A provision in accordance with IAS 37 has been made in the financial statements of Q3 amounting to SEK 100 million and reported in "Other units".

Packaging Paper business area

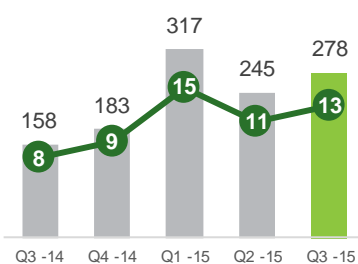
KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS

The Packaging Paper business area offers kraft and sack paper of premium quality plus smart solutions for customers in the industrial, medical and consumer segments. The business area also sells surplus pulp that BillerudKorsnäs does not use in its own production¹. The business areas largest markets are Europe and Asia.

SHARE OF GROUP'S NET SALES Q3 2015



OPERATING PROFIT



KEY FIGURES

SEKm	Quarter		Jan-Sep		Full year
	Q3 -15	Q3 -14	2015	2014	2014
Net sales	2 174	2 058	6 532	6 142	8 101
Net operating expenses, other	-1 768	-1 781	-5 328	-5 272	-6 928
EBITDA	406	277	1 204	870	1 173
EBITDA, %	19%	13%	18%	14%	14%
Operating profit/loss	278	158	840	518	701
Operating margin, %	13%	8%	13%	8%	9%
Sales volumes, ktonnes	294	288	882	892	1 167
whereof packaging paper	188	196	566	603	776

Q3 2015 COMPARED TO Q3 2014

Due to a favourable development of the exchange rates and an increase of 2 % in sales volume, net sales increased with 6% compared to Q3 2014. The volume loss of MF and sack paper was offset by high volumes of market pulp. The prices in local currency were on the same level as last year.

The increased net sales combined with a cost level in line with last year and lower fixed costs due to timing of annual maintenance shutdown in Skärblacka led to an operating profit improvement of 76 %.

JAN-SEP 2015 COMPARED TO JAN-SEP 2014

Due to a favourable currency situation and product mix, net sales increased with 6% compared to the first nine months of 2014, despite a sales volume decrease of 1%.

The increased net sales combined with a cost level in line with last year led to an improvement of operating profit with 62 %. BillerudKorsnäs' integrated production units and the profitability of their products were good, whereas BillerudKorsnäs' non-integrated production units suffered from higher raw material costs due to unfavourable exchange rates.

MARKET DEVELOPMENT

The market situation remained stable during the third quarter. Prices in local currency were stable compared to previous quarter.

The market for NBSK pulp weakened somewhat during the quarter compared with the previous quarter. Prices decreased to approximately USD 830 per tonne at the end of the quarter, compared to approximately USD 850 at the end of the second quarter.

OUTLOOK

During next quarter the overall Packaging Paper sales are expected to be lower due to rebuild of PM9 and the annual maintenance shutdown in Skärblacka. Kraft paper market remains stable and the sack paper market is expected to be weaker due to seasonal variations that may extend into 2016. Prices in local currency are expected to be stable for Q4.

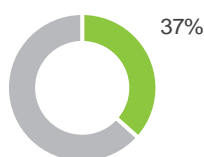
¹ The Packaging Paper business area buys and sells pulp at market price. The Group's net exposure in market pulp is estimated to average approximately 150 ktonnes annually.

Consumer Board business area

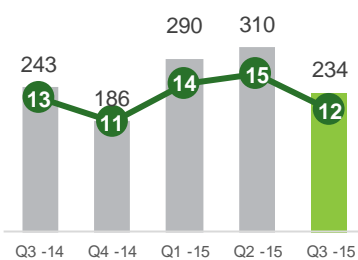
LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

The Consumer Board business area delivers packaging solutions made from high-quality cartonboard for beverages, foods and other consumer goods. 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 Q3 2015



OPERATING PROFIT



KEY FIGURES

SEKm	Quarter		Jan-Sep	Full year	
	Q3 -15	Q3 -14	2015	2014	2014
Net sales	2 006	1 897	6 073	5 668	7 436
Net operating expenses, other	-1 596	-1 488	-4 711	-4 438	-5 852
EBITDA	410	409	1 362	1 230	1 584
EBITDA, %	20%	22%	22%	22%	21%
Operating profit/loss	234	243	834	729	915
Operating margin, %	12%	13%	14%	13%	12%
Sales volumes, ktonnes	262	252	808	769	1 004

Q3 2015 COMPARED TO Q3 2014

Due to higher sales volumes and a more favourable currency exchange rate, net sales increased with approximately 6% compared to Q3 2014. Sales volume increased with 4% which is line with the targeted growth rate.

Higher variable costs and production losses led to a slightly lower operating profit. The increase in variable costs was mainly due to the weaker SEK. During the quarter, the production unit in Gävle had an annual maintenance shutdown, in Q3 2014 Frövi production unit had its annual maintenance shutdown.

JAN-SEP 2015 COMPARED TO JAN-SEP 2014

Due to higher sales volume and a favourable development of the currency exchange rate, net sales increased with 7% compared to 2014. Sales volume increased with 5% which is line with the targeted growth rate.

The increased net sales, to some extent offset by higher variable costs, led to improved operating profit with 14%. The increase in variable costs was mainly due to the weaker SEK.

MARKET DEVELOPMENT

The order situation for liquid packaging board and cartonboard in the third quarter was stable and satisfactory with normal seasonal variances. There is delivery pressure from our main markets. Prices in local currency were stable compared to the previous quarter.

OUTLOOK

Order situation and deliveries for liquid packaging board and cartonboard are expected to continue to be stable and satisfactory with normal seasonal variances.

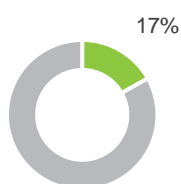


Containerboard business area

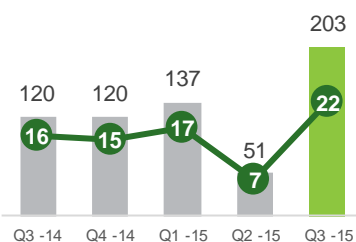
STRONG FLUTING AND LINER ADD VALUE

Strong and light materials from the Containerboard business area are used in corrugated boxes for fragile goods and demanding distribution systems. Supply chain solutions for packaging optimisation are a key component of the offer. 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. Europe is the largest market.

SHARE OF GROUP'S NET SALES Q3 2015



OPERATING PROFIT



KEY FIGURES

SEKm	Quarter		Jan-Sep		Full year
	Q3 -15	Q3 -14	2015	2014	2014
Net sales	926	773	2 449	2 332	3 148
Net operating expenses, other	-677	-612	-1 929	-1 906	-2 560
EBITDA	249	161	520	426	588
EBITDA, %	27%	21%	21%	18%	19%
Operating profit/loss	203	120	391	296	416
Operating margin, %	22%	16%	16%	13%	13%
Sales volumes, ktonnes	139	127	374	394	528

Q3 2015 COMPARED TO Q3 2014

Net sales increased with 20% mainly due to higher volumes, price increases for fluting combined with more favourable currency rates. The liner market volumes developed positively compared to last year. Prices for parts of the liner segment were under pressure.

The operating profit increased with 69% or SEK 83 million mainly due to increased sales combined with improved contribution from Paccess and lower fixed costs. The operating margin for the quarter was at a record level of 22%.

JAN-SEP 2015 COMPARED TO JAN-SEP 2014

Net sales increased with 5% despite volume losses during the rebuild of PM6 in Gruvön. Prices in local currency were in general slightly higher compared to first nine months of 2014 mainly driven by a positive development for fluting and the business area also benefited from more favourable exchange rates.

Operating profit increased with 32% or SEK 95 million due to higher sales and improved contribution from Paccess which was partly offset by increased variable costs and higher costs for the maintenance shutdown in Gruvön.

MARKET DEVELOPMENT

Demand and order intake was stable for liner and strong for fluting. Prices for fluting are moving up as a result of the strong demand. Prices for liner remain stable, however with a slightly negative mix effect.

OUTLOOK

In general, the market is in good balance and we estimate that overall production will be in balance with demand. Request for fluting continues to be strong and for liner it is expected to be stable. The start of the new citrus season will also have a positive impact. On the basis of the strong demand for fluting, prices are expected to move up somewhat also during the next quarter.

The rebuild of PM6 in Gruvön will through increased capacity and improved quality further improve BillerudKorsnäs' position as market leader for primary fibre based fluting.

Currency hedging

SEK -38 million earnings impact for the quarter.

During the third quarter 2015, net flows were hedged at EUR/SEK 9.33 (9.00), USD/SEK 7.94 (6.61) and GBP/SEK 12.00 (10.80). Currency hedging had an overall earnings impact of SEK -38 million (-74) for the third quarter and SEK -155 million (-136) for the first three quarters of 2015 (compared to no hedging).

The outstanding forward exchange contracts at 30 September 2015 had a market value of SEK 40 million, whereof SEK -2 million is the part of the contracts matched by trade receivables that has affected earnings in the third quarter. Accordingly, other contracts had a market value of SEK 42 million.

HEDGED PORTION OF THE FORECASTED CURRENCY FLOWS FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (30 SEPTEMBER 2015)

Currency		Q4 -15	Q1 -16	Q2 -16	Q3 -16	Q4-16	Total 15 months
EUR	Share of net flow	82%	80%	80%	77%	22%	68%
	Rate	9.49	9.51	9.49	9.51	9.57	9.50
USD	Share of net flow	69%	66%	56%	7%		40%
	Rate	8.31	8.48	8.49	8.43		8.42
GBP	Share of net flow	33%					6%
	Rate	12.37					12.37
Market value of currency contracts*		1	13	13	9	4	40

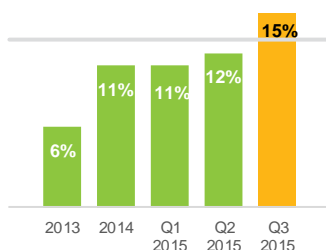
*On 30 September 2015

The currency hedging policy is to hedge 0-80% of forecasted net flows over the coming 15 months. Any deviation from the policy must be approved by the Board of Directors.

Investments and capital employed

RETURN ON CAPITAL EMPLOYED

TARGET LEVEL >13%



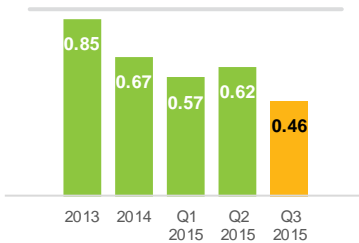
Gross investments amounted to SEK 416 million (321) for the third quarter and SEK 1 160 million (904) for the first nine months of 2015. In line with the Group's strategy for growth, investments for 2015 will amount to approximately SEK 1 700 million.

Capital employed at 30 September 2015 amounted to SEK 17 087 million (17 938). Return on capital employed, calculated over the past 12-month period, amounted to 15% (9%). The jump in ROCE% is explained by the capital gain from the Latgran divestiture. Excluding non-recurring items in the quarter the ROCE was 14%. Return on equity was 19% (11%).

Cash flow and financial position

NET DEBT/EQUITY RATIO

TARGET LEVEL <0.9



SUMMARY CASH FLOW STATEMENT

SEKm	Quarter		Jan-Sep	
	Q3 -15	Q3 -14	2015	2014
Operating surplus, etc.	1 012	777	2 930	2 391
Change in working capital, etc.	84	167	-102	269
Net financial items, taxes, etc.	-140	-129	-74	-444
Cash flow from operating activities	956	815	2 754	2 216
Current net investments	-415	-321	-1 157	-904
Operating cash flow	541	494	1 597	1 312

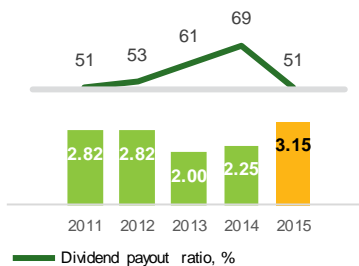
Operating cash flow during the first nine months of 2015 amounted to SEK 1 597 million (1 312). The increase was mainly due to improved operating profit and repayment of preliminary tax payments of approximately SEK 300 million. Working capital in relation to sales was 12%, compared with 11 % previous quarter, and the company continues to implement activities to reach the 10% target.

Net interest-bearing debt on 30 September 2015 was SEK 5 355 million (7 589). The Group's net debt/equity ratio at the end of the period was 0.46 (0.73). BillerudKorsnäs' financial target for net debt/equity ratio is to be less than 0.90.

Financing

DIVIDEND POLICY

TARGET LEVEL 50%



Interest-bearing loans amounted to SEK 4 921 million, a decrease of SEK 1 270 million since last quarter. The decrease of interest bearing debt was mainly due to the divestment of Latgran and strong operating cash flow. Other short term interest-bearing liabilities decreased by SEK 773 million, a term loan of SEK 400 million was repaid and commercial papers decreased by SEK 90 million.

The syndicated revolving credit facility of SEK 5 500 million matures in 2019.

Loan	Limit, SEKm	Maturity, years			Total utilized
		0-1	1-2	2-	
Syndicated credit facilities	5 500				0
Term loans		400	600	400	1 400
Bond loans within MTN program	5 000	200	500	1 500	2 200
Other bond loans		150			150
Commercial paper	3 000	597			597
Term loan, Bomhus Energi AB		36	38	499	573
Other interest-bearing liabilities		1			1
Group total		1 384	1 138	2 399	4 921



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.

PLANNED 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. 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.

Estimated shutdown cost

Production units	Estimated shutdown cost ¹	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown		
		SEKm	Packaging Paper	Consumer Board	Container-board	2016	2015
Gävle	~ 130	~ 5%	~ 80%	~ 15%	Q3	Q3	Q4
Gruvön	~ 120	~ 40%	~ 5%	~ 55%	Q2	Q2	Q2
Frövi	~ 70	0%	100%	0%	Q4	Q4	Q3
Skärblacka	~ 75	~ 85%	0%	~ 15%	Q2	Q4	Q3
Karlsborg	~ 55	100%	0%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	0%	-	Q4	Q2

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

During the third quarter 2015 planned maintenance shutdowns took place at Gävle and Karlsborg production units. The impact on the quarterly earnings was SEK 179 million.

Parent company

Per 31 December 2014 BillerudKorsnäs AB has sold its assets and liabilities in the Gruvön production unit to the subsidiary BillerudKorsnäs Sweden AB and a capital loss of SEK -1 584 million arised. This capital loss is eliminated on Group level and has no impact on the Group's income statement or balance sheet.

The parent company BillerudKorsnäs AB includes from 2015 the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Operating profit for the first nine months of 2015 amounted to SEK -342 million compared with SEK -270 million for the first nine months of 2014 excluding operating profit from the Gruvön production unit. The decrease is mainly due to negative impact from hedging contracts and revaluations of accounts receivable.

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 -154 million (-136).

The parent company has received dividend from subsidiaries amounted to SEK 1 515 million (16).

The average number of employees was 91 (90). Cash and bank balances and short-term investments amounted to SEK 170 million (121).

Largest shareholders

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (30 SEP 2015)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	16 538 412	8.0
Swedbank Robur Funds	9 261 961	4.5
Fourth Swedish National Pension Fund	6 585 129	3.2
Lannebo Funds	5 835 129	2.8
Norges Bank Investment Management	4 692 793	2.3
Alecta	4 415 000	2.1
SHB Funds	4 281 973	2.1
DFA Funds (USA)	4 163 170	2.0
Länsförsäkringar Fund Management	2 754 542	1.3
Total 10 largest shareholders	89 828 109	43.4
Total number of shares in the market	206 951 152	100.0

Distribution of shares

DISTRIBUTION OF SHARES (30 SEP 2015)

Registered number of shares	208 219 834
Bought back shares	-1 268 682
Total number of shares in the market	206 951 152



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 21-26 of the 2014 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

On October 14, it was decided after union negotiations to close the production at the Tervasaari site from September 30, 2016.

Annual general meeting 2016

The Annual General Meeting will be held in Stockholm on 10 May 2016. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to BillerudKorsnäs AB (publ), Att: Andreas Mattsson, General Counsel, Box 703, 169 27 Solna, Sweden, at least seven weeks before the Annual General Meeting, in order to be sure that the matter can be included in the convening notice to the Meeting. Notified matters can be included on the agenda of the Annual General Meeting only if they are suitable for decision by the Meeting and if they have been notified in due time. Further details on how and when to notify participation at the Annual General Meeting will be published in advance of the Meeting.

Nomination committee 2016

In accordance with the resolution by the Annual General Meeting of BillerudKorsnäs on 5 May 2015, the Chairman of the Board of Directors has convened a Nomination Committee for the Annual General Meeting 2016, appointed by the major shareholders in the company. The Nomination Committee consists of Michael M.F. Kaufmann, appointed by Frapag Beteiligungsholding AG, Peder Hasslev, appointed by AMF Insurance & Funds, Lennart Francke, appointed by Swedbank Robur Funds and Pia Axelsson, appointed by Fourth Swedish National Pension Fund. Information about the work of the Nomination Committee can be found at BillerudKorsnäs website www.billerudkorsnas.com. Shareholders wishing to make proposals to the Nomination Committee should submit their proposal in writing via e-mail to valberedningen@billerudkorsnas.com or by mail to BillerudKorsnäs AB (publ), Att: Valberedningen, Box 703, 169 27 Solna, Sweden.

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 accounting principles applied in this interim report are the same as those used in the most recent annual report for 2014, see pages 28-35 and page 70 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 21 of this report.

Solna 20 October 2015

Per Lindberg, CEO

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 a Swedish version with an English translation.



Review report

BillerudKorsnäs AB (publ)

Corporate identity number 556025-5001

INTRODUCTION

We have reviewed the summary interim financial information (interim report) of BillerudKorsnäs AB (publ) as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 20 October 2015

KPMG AB

Ingrid Hornberg Román

Authorized Public Accountant

FINANCIAL CALENDAR

Capital Markets Day – 12 November 2015

Year-end report 2015 – 10 February 2016

Q1 – 21 April 2016

2016 Annual General Meeting – 10 May 2016

Q2 – 20 July 2016

Q3 – 21 October 2016

Capital Markets Day 2015

Investing for sustainable and profitable growth

On 12th of November 2015, BillerudKorsnäs will host its second Capital Markets Day. The program will focus on the growth outlook for the company, together with a strategic update on the core businesses and innovation.

Registration is available online at www.billerudkorsnas.com.

The presentation may also be viewed on a live and recorded webcast at www.billerudkorsnas.com.

We look forward to meeting you at this event!



**BILLERUD FLUTE
THE WORLD'S
STRONGEST FLUTING**

Made using 100%
primary fibre from
Nordic birch.
Perfect for strong,
stiff and shock-absorbent
corrugated boxes for
heavy goods.

Strong corrugated boxes for the automotive industry

Thousands of suppliers are involved in the automotive industry's global distribution chains, which place high demands on the quality and precision of deliveries. Wooden crates, which have long been the standard for transporting heavy components, have not always proven ideal, but there has been a shortage of alternatives.

Together with a German corrugated board producer, BillerudKorsnäs has developed an extremely strong fluting that makes it possible to replace wooden crates, even for heavy freight. This brings numerous benefits: lower weight results in easier handling, reduced environmental impact and lower transport costs, the material offers better printability, plus it absorbs shocks and is easy to recycle.

The new material is a prime example of customer-driven product development with a focus on innovation and sustainability.

"We're very pleased with the collaboration. The new material makes it possible to construct corrugated boxes that can handle 5 000 kilos. This will allow us to expand into entirely new markets," explains the German packaging producer.

BillerudKorsnäs Group

Income statement

SEKm	Quarter			Jan-Sep		Full year
	Q3 -15	Q2 -15	Q3 -14	2015	2014	2014
Net sales	5 478	5 489	5 191	16 601	15 729	20 853
Other income ¹	474	38	30	560	77	118
Operating income	5 952	5 527	5 221	17 161	15 806	20 971
Change in inventories	-119	-5	-102	-165	-129	63
Raw materials and consumables	-2 589	-2 756	-2 484	-8 149	-7 797	-10 490
Other external costs	-1 142	-1 033	-1 117	-3 198	-3 160	-4 245
Employee benefits expense	-718	-836	-726	-2 317	-2 251	-3 020
Depreciation and impairment of non-current assets	-358	-355	-342	-1 066	-1 029	-1 378
Profit/Loss from participations in associated companies	-	-	-	-	1	-
Operating expenses²	-4 926	-4 985	-4 771	-14 895	-14 365	-19 070
Operating profit/loss	1 026	542	450	2 266	1 441	1 901
Financial income and expenses	-39	-26	-57	-118	-199	-248
Profit/Loss before tax	987	516	393	2 148	1 242	1 653
Taxes	-125	-113	-82	-379	-270	-352
Net profit/loss for the period	862	403	311	1 769	972	1 301
Profit/Loss attributable to:						
Owners of the parent company	722	397	306	1 611	955	1 277
Non-controlling interests	140	6	5	158	17	24
Net profit/loss for the period	862	403	311	1 769	972	1 301
Earnings per share, SEK	3.49	1.92	1.48	7.79	4.62	6.18
Diluted earnings per share, SEK	3.48	1.92	1.48	7.77	4.61	6.16

¹ Q3 2015 includes capital gain from divestiture of SIA Latgran, SEK 443 million.

² Q3 2015 includes cost for closure of the Tervasaari site, SEK -100 million.

Statement of comprehensive income

SEKm	Quarter			Jan-Sep		Full year
	Q3 -15	Q2 -15	Q3 -14	2015	2014	2014
Net profit/loss for the period	862	403	311	1 769	972	1 301
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains or losses on defined benefit pension plans	-	-63	-69	-63	-69	-67
Tax attributable to items not to be reclassified to profit or loss	-	14	15	14	15	15
Total items never reclassified to profit or loss	-	-49	-54	-49	-54	-52
Items that have been or may be reclassified subsequently to profit or loss						
Differences arising from the translation of foreign operations' accounts	14	-12	4	-37	61	136
Change in fair value of shareholding in Bergvik Skog	5	-5	-3	2	7	22
Change in fair value of cash flow hedges	-66	97	-3	84	-118	-204
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	15	-22	1	-18	26	45
Total items that have been or may be reclassified subsequently to profit or loss	-32	58	-1	31	-24	-1
Total comprehensive income for the period	830	412	256	1 751	894	1 248
Attributable to:						
Owners of the parent company	694	406	251	1 599	875	1 220
Non-controlling interests	136	6	5	152	19	28
Total comprehensive income for the period	830	412	256	1 751	894	1 248



Balance sheet

SEKm	30 Sep 2015	30 Sep 2014	31 Dec 2014
Intangible assets	2 407	2 596	2 580
Property, plant and equipment	14 653	14 687	14 873
Other non-current assets	876	820	848
Total non-current assets	17 936	18 103	18 301
Inventories	2 888	2 929	3 145
Accounts receivable	2 695	2 604	2 601
Other current assets	736	905	925
Cash and cash equivalents	377	341	737
Total current assets	6 696	6 779	7 408
Total assets	24 632	24 882	25 709
Equity attributable to owners of the parent company	11 567	10 269	10 615
Non-controlling interests	166	80	89
Total equity	11 733	10 349	10 704
Interest-bearing liabilities	3 537	4 566	4 672
Provisions for pensions	821	792	772
Other provisions	166	41	67
Deferred tax liabilities	2 925	2 655	2 986
Total non-current liabilities	7 449	8 054	8 497
Interest-bearing liabilities	1 384	2 572	2 417
Accounts payables	2 610	2 363	2 514
Other liabilities and provisions	1 456	1 544	1 577
Total current liabilities	5 450	6 479	6 508
Total equity and liabilities	24 632	24 882	25 709

Statement of changes in equity

SEKm	Jan-Sep 2015	2014	Full year 2014
Opening balance	10 704	9 917	9 917
Comprehensive income for the period	1 751	894	1 248
Share-based payment to be settled in equity instruments	5	3	4
Dividend to owners of the parent company	-651	-465	-465
Dividend to non-controlling interests	-76	-	-
Closing balance	11 733	10 349	10 704
Equity attributable to:			
Owners of the parent company	11 567	10 269	10 615
Non-controlling interests	166	80	89
Closing balance	11 733	10 349	10 704

Statement of cash flow

SEKm	Quarter			Jan-Sep	Full year	
	Q3 -15	Q2 -15	Q3 -14	2015	2014	2014
Operating surplus, etc.*	1 012	897	777	2 930	2 391	3 248
Change in working capital, etc.	84	28	167	-102	269	236
Net financial items, taxes, etc.	-140	-104	-129	-74	-444	-369
Cash flow from operating activities	956	821	815	2 754	2 216	3 115
Investments in property, plant and equipment	-416	-496	-321	-1 158	-902	-1 382
Acquisition of financial assets	-	-2	-	-2	-2	-2
Sales of subsidiary	943	-	-	943	-	-
Disposal of property, plant and equipment	1	-	-	3	-	8
Cash flow from investing activities	528	-498	-321	-214	-904	-1 376
Change in interest-bearing receivables	-6	-5	-	-12	-	-3
Change in interest-bearing liabilities	-1 266	23	-350	-2 160	-1 027	-1 082
Dividend to owners of the parent company	-	-651	-	-651	-465	-465
Dividend to non-controlling interests	-76	-	-	-76	-	-
Cash flow from financing activities	-1 348	-633	-350	-2 899	-1 492	-1 550
Total cash flow (=change in cash and cash equivalents)	136	-310	144	-359	-180	189
Cash and cash equivalents at start of period	214	545	193	737	497	497
Translation differences in cash and cash equivalents	27	-21	4	-1	24	51
Cash and cash equivalents at the end of the period	377	214	341	377	341	737

* The amount for the period January-September 2015 takes into account operating profit of SEK 2 266 million, reversed depreciation SEK 1 066 million, result from sale of Latgran SEK -443 million, decrease in pension liabilities SEK -16 million, other provisions SEK 98 million, net of produced and sold electricity certificates and sold emission rights SEK -46 million and incentive programmes SEK 5 million. The amount for the period January-September 2014 takes into account operating profit of SEK 1 441 million, reversed depreciation SEK 1 029 million, decrease in pension liabilities SEK -16 million, other provisions SEK -35 million, result from associated companies SEK -1 million, net of produced and sold electricity certificates and sold emission rights SEK -30 million and incentive programme SEK 3 million.



Note financial assets and liabilities

Group 30 September 2015	Derivatives in hedge accounting	Accounts and loan receivables	Available for-sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Other shares and participations	-	-	809	-	809	809
Long-term receivables	-	19	-	-	19	19
Accounts receivable	-	2 695	-	-	2 695	2 695
Other receivables	45	440	-	-	485	485
Cash and cash equivalents ¹	-	377	-	-	377	377
Total	45	3 531	809	-	4 385	4 385
Non-current interest-bearing liabilities	-	-	-	3 537	3 537	3 591
Current interest-bearing liabilities	-	-	-	1 385	1 385	1 385
Accounts payables	-	-	-	2 610	2 610	2 610
Other liabilities	180	-	-	219	399	399
Total	180	-	-	7 751	7 931	7 985

Group 31 December 2014	Derivatives in hedge accounting	Accounts and loan receivables	Available for-sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Other shares and participations	-	-	806	-	806	806
Long-term receivables	-	9	-	-	9	9
Accounts receivable	-	2 601	-	-	2 601	2 601
Other receivables	-	407	-	-	407	407
Cash and cash equivalents ¹	-	737	-	-	737	737
Total	-	3 754	806	-	4 560	4 560
Non-current interest-bearing liabilities	-	-	-	4 672	4 672	4 735
Current interest-bearing liabilities	-	-	-	2 417	2 417	2 417
Accounts payables	-	-	-	2 514	2 514	2 514
Other liabilities	218	-	-	242	460	460
Total	218	-	-	9 845	10 063	10 126

¹ Short-term investments 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.

Key figures

	Jan-Sep		Full year
	2015	2014	2014
Margins			
EBITDA, %	20	16	16
Adjusted EBITDA, %	18	16	16
Operating margin, %	14	9	9
Adjusted operating margin, %	12	10	10
Return (rolling 12 months)			
Return on capital employed, %	15	9	11
Return on equity, %	19	11	13
Capital structure at end of period			
Capital employed, SEKm	17 087	17 938	17 828
Working capital, SEKm	2 430	2 398	2 286
Equity, SEKm	11 733	10 349	10 704
Interest-bearing net debt, SEKm	5 355	7 589	7 124
Net debt/equity ratio	0.46	0.73	0.67
Interest-bearing net debt / EBITDA, multiple	1.30	2.51	2.17
Key figures per share			
Earnings per share, SEK	7.79	4.62	6.18
Adjusted earnings per share, SEK	6.71	4.99	6.55
Dividend per share, SEK	3.15	2.25	2.25
Other key figures			
Working capital as percentage of net sales, %	12	12	12
Gross investments, SEKm	1 160	904	1 384
Average number of employees	4 223	4 180	4 194

Definitions

Adjusted EBITDA

Operating profit before depreciation adjusted for non-recurring items.

Adjusted earnings per share

Earnings per share adjusted for non-recurring items after tax attributable to owners of the parent company.

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.

Earnings per share

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

Equity

Shareholders' equity at the end of the period.

EBITDA, %

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.

Interest-bearing net debt/ EBITDA

Interest bearing net debt at the end of the period divided by operating profit before depreciation for the last twelve months.

MF kraft paper

Machine Finished kraft paper.

MG kraft paper

Machine Glazed kraft paper.

NBSK

Northern Bleached Softwood Kraft.

Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

NRI

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

Operating margin

Operating profit as a percentage of net sales.

Return on capital employed

Operating profit calculated over 12 months 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.

Working capital

Inventories, accounts receivables and other operating receivables less accounts payables and other operating liabilities.

Working capital as percentage of net sales

Average working capital for the quarter, divided by annualised net sales (net sales for the quarter multiplied by four).



Parent Company

Summarised income statement

SEKm	Quarter		Jan-Sep		Full Year
	Q3 -15	Q3 -14	2015	2014	2014
Operating income	9	963	-51	2 818	3 806
Operating expenses	-88	-827	-291	-2 663	-5 152
Operating profit/loss	-79	136	-342	155	-1 346
Financial income and expenses	-48	-49	1 373	-131	-163
Profit/Loss after financial income and expenses	-127	87	1 031	24	-1 509
Appropriations	-	-	-	-	950
Profit/loss before tax	-127	87	1 031	24	-559
Taxes	28	-16	106	-2	133
Net profit/loss for the period	-99	71	1 137	22	-426

Summarised balance sheet

SEKm	30 Sep 2015	30 Sep 2014	31 Dec 2014
Non-current assets	10 744	13 192	10 767
Current assets	4 764	4 201	5 020
Total assets	15 508	17 393	15 787
Shareholders' equity	6 616	6 578	6 129
Untaxed reserves	355	2 135	355
Provisions	335	477	338
Interest-bearing liabilities	7 665	7 088	7 206
Other liabilities	537	1 115	1 759
Total equity and liabilities	15 508	17 393	15 787

Quarterly data

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas. Other units include wood supply, sales organisations, Nine AB, the Latgran Group, Bomhus Energi AB, costs for closure of Tervasaari site and dormant companies. Currency hedging etc. includes results from hedging of the Group's net currency flows, 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, Group eliminations and shares in profits/losses from participations in associated companies.

Net sales quarterly per business area and for the group

SEKm	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Jan-Sep 2015	Jan-Sep 2014
Packaging Paper	2 174	2 176	2 182	1 959	2 058	2 016	2 068	1 758	6 532	6 142
Consumer Board	2 006	2 044	2 023	1 768	1 897	1 822	1 949	1 659	6 073	5 668
Containerboard	926	722	801	816	773	767	792	763	2 449	2 332
Other units	368	596	661	609	487	512	589	549	1 625	1 588
Currency hedging, etc.	4	-49	-33	-28	-24	11	12	26	-78	-1
Group staff and eliminations	-	-	-	-	-	-	-	-	-	-
Total Group	5 478	5 489	5 634	5 124	5 191	5 128	5 410	4 755	16 601	15 729

Operating profit quarterly per business area and for the group

SEKm	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Jan-Sep 2015	Jan-Sep 2014
Packaging Paper	278	245	317	183	158	169	191	91	840	518
Consumer Board	234	310	290	186	243	253	233	29	834	729
Containerboard	203	51	137	120	120	59	117	98	391	296
Other units	353	71	56	28	45	35	58	21	480	138
Currency hedging, etc.	4	-49	-33	-28	-24	11	12	26	-78	-1
Group staff and eliminations	-46	-86	-69	-29	-92	-77	-70	-62	-201	-239
Total Group	1 026	542	698	460	450	450	541	203	2 266	1 441

Operating profit¹ quarterly per business area and for the group

SEKm	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Jan-Sep 2015	Jan-Sep 2014
Packaging Paper	330	304	317	188	305	244	191	168	951	740
Consumer Board	350	324	290	303	354	265	233	148	964	852
Containerboard	214	148	137	133	140	115	117	151	499	372
Other units	10	71	56	28	45	35	58	21	137	138
Currency hedging, etc.	4	-49	-33	-28	-24	11	12	26	-78	-1
Group staff and eliminations	-46	-86	-69	-29	-75	-60	-56	-33	-201	-191
Total Group	862	712	698	595	745	610	555	481	2 272	1 910
Costs for maintenance shutdowns	-179	-170	-	-135	-227	-143	-	-249	-349	-370
Non-recurring items	343	-	-	-	-68	-17	-14	-29	343	-99
Operating profit	1 026	542	698	460	450	450	541	203	2 266	1 441

Operating margin¹ quarterly per business area and for the group

%	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Jan-Sep 2015	Jan-Sep 2014
Packaging Paper	15	14	15	10	15	12	9	10	15	12
Consumer Board	17	16	14	17	19	15	12	9	16	15
Containerboard	23	20	17	16	18	15	15	20	20	16
Group	16	13	12	12	14	12	10	10	14	12

Sales volumes quarterly per business area and for the group

ktonne	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Jan-Sep 2015	Jan-Sep 2014
Packaging Paper	294	288	300	275	288	294	310	263	882	892
Consumer Board	262	274	272	235	252	249	268	231	808	769
Containerboard	139	106	129	134	127	128	139	126	374	394
Total	695	668	701	644	667	671	717	620	2 064	2 055

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

This is **BillerudKorsnäs**

BillerudKorsnäs is one of **the world's leading suppliers of high-quality, packaging materials** based on renewable raw material. Our wood raw material comes from sustainable managed forests and manufacturing takes place at resource-efficient, integrated production units.

Our customers are packaging manufacturers, brand owners and large retail and supermarket chains. Through close collaboration with customers and partners all over the world, we are able to offer a customised and broad product portfolio that features a high degree of innovation.

Demand is driven by global megatrends, particularly rising urbanisation, a greater focus on sustainability and changing consumption patterns. Consumer segments, primarily food and beverages, account for 75% of sales. While Europe is the core market. BillerudKorsnäs is gradually strengthening its presence in the leading growth markets of Asia.

Smart packaging solutions using paper or board from BillerudKorsnäs reduce the impact on the climate, cut the use of resources along the whole value chain and contribute to a sustainable future.

BUSINESS MODEL


Our business model is based on high-performance materials from forests in the north, advice, service and the collective knowledge held by a global network of machine suppliers, packaging manufacturers, researchers and design agencies. Innovative packaging solutions are developed in close collaboration with customers all over the world that demand the highest standards of quality, performance and sustainability.

STRATEGIC FOCUS

BillerudKorsnäs' overall objective is sustainable and profitable growth. The target is to grow organically by 15–20% up until 2018, which equates to a figure of around SEK 24 billion in sales. Our strategy is based on five areas that all interact: **Position, Innovation, Sustainability, Efficiency and Employees.**
Read more at billerudkorsnas.com

VALUE DRIVERS

High-performance material based on renewable raw material from responsibly managed forests. Smarter solutions that optimise our customers' business. Leading positions in the growing global packaging market. A holistic approach to the entire packaging value chain from raw material all the way to the end-customer and recycling.



We challenge
conventional
packaging for
a sustainable future



BILLERUDKORSNÄS