



## Interim report January-September 2003

Corporate Identity No. 556025-5001

[www.billerud.com](http://www.billerud.com)

	Quarter			January-September	
	2003 III	2003 II	2002 III	2003	2002
Net turnover, MSEK	<b>1 728</b>	1 731	1 804	<b>5 303</b>	5 332
Operating profit, MSEK	<b>282</b>	284	354	<b>863</b>	873
Operating margin, %	<b>16</b>	16	20	<b>16</b>	16
Profit after financial items, MSEK	<b>262</b>	266	329	<b>804</b>	804
Net profit, MSEK	<b>186</b>	190	235	<b>577</b>	576
Earnings per share, SEK	<b>3.28</b>	3.30	4.02	<b>10.03</b>	9.42

- Market demand continued to be weaker.
- The operating profit for the January to September period was MSEK 863, down 1% on last year. The decrease was mainly due to a small reduction in delivery volumes.
- Compared with the second quarter, operating profit fell during the third quarter by 1% to MSEK 282. The decline was mainly due to lower average prices.
- The profit after financial items was MSEK 804, which was around the same level as in 2002. The return on capital employed over the most recent 12-month period was 26%. Excluding the effects of currency hedging, the return was 15%.
- Operating cash flow during the period was MSEK 666, of which MSEK 355 was realised during the third quarter.
- Deliveries amounted to 961,000 tonnes, down 3% on last year. Maintenance stoppages have now been completed at all the Billerud mills.
- A decision has been made to invest MSEK 316 in two major projects at Gruvön and Skärblacka.
- Based on the current market situation, Billerud expects that the operating profit for the full year in 2003 will be around 10% lower than in 2002. In the interim report for the second quarter 2003, the expectation was of a 10-15% decline compared to 2002.

# **Billerud Group**

## **Market**

The fall in demand that started during the second quarter of 2003 continued through the third quarter. The fall was noted primarily in the form of fewer orders and lower average prices, but production restrictions were also introduced due to a lack of orders. Deliveries during the third quarter reached 322,000 tonnes, up 6% on the second quarter due to higher deliveries of market pulp. During the first nine months of the year deliveries amounted to 961,000 tonnes, down 3% on the same period in 2002. The decline could partly be explained by the fact that maintenance stops were carried out in all three mills during January-September 2003. Last year, the maintenance stop in Gruvön was carried out during the fourth quarter.

For Billerud's packaging paper, the situation with lower order book and orders received that started during the second quarter continued in the third quarter. Sales have been made in new markets, which reduced average prices. Deliveries of packaging paper amounted to 237,000 tonnes in the third quarter, which is about the same level as the second quarter. During the first nine months of 2003 a total of 724,000 tonnes were delivered, down 3% on the same period in 2002.

After reaching a high of USD 560/tonne in April and May, the price of long fibre market pulp fell through the summer to USD 510/tonne only to rise from 1 September to USD 530 per tonne. At present, the price is USD 545/tonne. The rise was due to increased demand from China and supply restrictions following maintenance stops in the Nordic countries and North America. Billerud's deliveries of market pulp reached 85,000 tonnes in the third quarter, up 23% on the second quarter, when deliveries were restricted by rebuilds at the Karlsborg mill. During the first nine months of 2003 a total of 237,000 tonnes were delivered, down 2% on the same period in 2002.

## **Sales and results**

### ***Third quarter***

Net turnover for the third quarter reached MSEK 1,728, which was around the same level as the second quarter. A 6% rise in delivery volumes was countered by reduced average prices, mainly due to the worsening market situation but also due to a different product mix with a higher proportion of market pulp.

The operating profit was MSEK 282, down MSEK 2, or 1%, on the previous quarter. The fall was mainly due to lower average prices which were almost fully compensated for by higher delivery volumes for market pulp and lower costs. Seasonal variations account primarily for lower costs.

Comments on the earnings trend for each product area are made on page 5.

Net financial items were MSEK -20 and consisted mainly of interest costs on Billerud's syndicated bank loan and other loans. Interest costs were virtually unchanged on the previous quarter. The profit after financial items was MSEK 262 and the net profit was MSEK 186.

### ***January-September***

Net turnover reached MSEK 5,303, virtually unchanged on the same period in 2002. Lower delivery volumes were compensated for by somewhat higher prices.

The operating profit was MSEK 863, down MSEK 10, or 1%, on the same period in 2002. The fall was due to lower delivery volumes and somewhat higher costs, which were only partly countered by higher prices.

Net financial items were MSEK -59, up MSEK 10, or 15%, on the same period in 2002. The improvement is completely due to lower net debt.

The calculated tax expense was MSEK 227, representing a tax rate of 28.2%.

## Foreign exchange exposure

Billerud has hedged around 100% of estimated net flows over 15 months in EUR, around 100% of estimated net flows over 14 months in USD and around 85% of estimated net flows over 12 months in GBP at the rates listed in the table below. Of the current hedged amount, 64% is in EUR, 32% in USD and 4% in GBP.

During the first nine months of 2003 net flows have been hedged at the following rates: EUR/SEK 9.32, USD/SEK 10.36 and GBP/SEK 14.52. Currency hedging boosted profits by around MSEK 357, of which MSEK 107 was realised in the third quarter. Of this sum of MSEK 357, 14% was due to hedging of EUR, 80% to hedging of USD and 6% to hedging of GBP.

A further effect on profits arises when accounts receivable in foreign currency at the end of the period are assessed at the hedged rates. Including this re-evaluation and other exchange rate effects, changed exchange rates had a negative effect on profits during the third quarter of MSEK 22 compared with the second quarter.

### Hedged exchange rates for the next 15 months (five quarters)

Currency	Q 4 2003	Q 1 2004	Q 2 2004	Q 3 2004	Q 4 2004	Average
EUR/SEK	9.24	9.20	9.31	9.21	9.27	9.24
USD/SEK	9.69	9.28	8.76	8.44	8.54	8.96
GBP/SEK	14.15	13.98	13.58	13.11	-	13.82

Outstanding contracts, which are not balanced by accounts receivable as of 30 September 2003, have not affected earnings. If these contracts had been redeemed the same day, it would have had a positive effect on earnings of MSEK 287.

## Investments and capital employed

Investments amounted to MSEK 305, while depreciation in the same period amounted to MSEK 284. Investment costs are for environmental improvements and a capacity increase at Karlsborg, the completion of the rebuild of PM 4 at Gruvön and for several smaller maintenance projects.

Billerud's capital employed amounted to MSEK 4,574 as of 30 September 2003, compared with MSEK 4,653 at the end of 2002. The return on capital employed, calculated for the most recent 12-month period, was 26%, compared with 25% for the full year in 2002. The return on equity was 25%. The return on capital employed, calculated for the first nine months of 2003 and projected over the full year, is 25%. If the positive effects of currency contracts are ignored, the return over the past 12 months was 15%.

## Cash flow

Thanks mainly to lower tax payments, cash flow from operating activities was up MSEK 40 on last year to MSEK 970 for the first nine months of 2003. A higher rate of investment meant that operating cash flow was virtually unchanged at MSEK 666, compared with MSEK 667 in the same period in 2002.

During the January-September period MSEK 376 was paid out in share dividends and MSEK 141 was spent buying back Billerud shares. A total of MSEK 517, therefore, was paid in various forms to shareholders.

Billerud's net debt was reduced by MSEK 138 during the period. Interest-bearing debt was reduced by MSEK 191 while liquid funds were reduced by MSEK 53.

The cash flow analysis can be summarised as follows:

<b>MSEK</b> (positive figures represent debt reduction)	<b>Jan-Sept 2003</b>	<b>July-Sept 2003</b>	<b>Jan-Sept 2002</b>
Current activities	<b>970</b>	411	930
Investment activities	<b>-304</b>	-56	-263
Operating cash flow	<b>666</b>	355	667
Dividend	<b>-376</b>	-	-220
Share buy-back	<b>-141</b>	-89	-441
To shareholders	<b>-517</b>	-89	-661
Other, items not affecting cash flow	<b>-11</b>	-3	3
Change in net debt during the period	<b>138</b>	263	9

## Financing

The interest-bearing net debt amounted to MSEK 1,282 on 30 September 2003, compared with MSEK 1,420 at the end of 2002 and MSEK 1,722 on 30 September 2002. The Group's net debt/equity ratio at the end of the period was 0.39 compared with 0.44 at the end of the previous year and 0.57 on 30 September 2002.

Interest-bearing loans as of 30 September 2003 amounted to MSEK 1,726. This includes a syndicated bank loan of MSEK 900, a bond loan of MSEK 500, a certificate programme where at present MSEK 298 is utilised and a convertible debenture with a market value of MSEK 28.

Financing with the use of bonds has been carried out in order to achieve a better distribution over time for loans falling due. The certificate programme is worth a total of MSEK 1,000. The aim is to refinance the existing syndicated bank loan and thus reduce interest payments. Issued certificates are covered by long-term loan guarantees.

## Personnel

The average number of employees during the first nine months of 2003 was 2,415, compared with 2,366 during the same period in 2002. The average number of employees increased therefore by 49.

## Product areas

Billerud's activities consist of three product areas – Kraft paper, Containerboard and Market pulp – which are strongly integrated in terms of production, making them hard to identify for accounting purposes. Risks and opportunities do not differ significantly between the product areas. Billerud has chosen to report and control its activities in these three product areas, which in the company's judgement form a joint operation. Production costs are divided between the three product areas according to the resources used by each product area.

### Net turnover and operating profit

	Net turnover						Operating profit					
	Q 3	Q 2	%	Jan- Sept	Jan- Sept	%	Q 3	Q 2	%	Jan-Sep	Jan- Sept	%
MSEK	2003	2003	change	2003	2002	change	2003	2003	change	2003	2002	change
Kraft paper	868	873	-1	2 686	2 613	3	197	169	17	568	518	10
Containerboard	486	521	-7	1 548	1 655	-7	58	91	-36	231	303	-24
Market pulp	376	337	12	1 071	1 066	1	51	38	34	112	110	2
Other and eliminations	-2	-0		-2	-2		-24	-14		-48	-58	
Total Group	1 728	1 731	-	5 303	5 332	-1	282	284	-1	863	873	-1

### *Kraft paper*

#### *Third quarter*

The operating profit for the quarter was MSEK 197, up MSEK 28, or 17%, on the second quarter mainly due to lower costs and higher delivery volumes compared with the previous quarter. The average price level fell somewhat.

#### *January-September*

Compared with the same period in 2002, the operating profit was up 10% to MSEK 568 mainly due to higher prices. Delivery volumes were unchanged.

### *Containerboard*

#### *Third quarter*

The operating profit for the quarter was MSEK 58, down MSEK 33, or 36%, compared with the previous quarter. The fall was due mainly to lower delivery volumes and somewhat lower prices. Earnings in the third quarter were also affected by the maintenance stop at Gruvön, where around 80% of Billerud's containerboard is made.

#### *January-September*

The operating profit was MSEK 231, down MSEK 72 or 24% on last year, mainly due to a 5% fall in delivery volumes and somewhat lower average prices.

### *Market pulp*

#### *Third quarter*

The operating profit climbed to MSEK 51, up MSEK 13, or 34%, on the second quarter, due to increased delivery volumes and lower costs.

#### *January-September*

The operating profit was MSEK 112, up MSEK 2, or 2%, compared with last year. Delivery volumes were slightly lower and the price level was slightly higher expressed in SEK, than last year.

## Parent company

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

Net turnover in the first nine months of 2003 amounted to MSEK 2,442. Profit after financial items amounted to MSEK 281. Fixed-asset investments, excluding shares, amounted to MSEK 117. The average number of employees was 1,153. Liquid assets and short-term investments amounted to MSEK 493.

## Withdrawal and buy-back of shares and share distribution

On 6 May 2003 the Annual General Meeting decided to reduce the company's share capital through the withdrawal of 4,831,000 acquired shares. The reduction has now been completed and the share capital now stands at SEK 723,874,975 divided among 57,909,998 shares worth a nominal SEK 12.50 each.

Following the General Meeting Billerud has bought back 1,443,000 shares at an average price of around SEK 97.20 per share. The buy-back represents around 2.5% of the total number of shares in the company, after the write-down.

As of 30 September 2003 the distribution of shares was as follows:

Registered amount of shares	57 909 998
<u>Bought-back shares in company ownership</u>	<u>- 1 443 000</u>
Shares on the market	56 466 998
<u>Convertible debenture loan (on full conversion)</u>	<u>268 047</u>
Shares on the market (after full conversion)	56 735 045

## Investment projects

The Board of Billerud AB has authorised MSEK 316 to be invested in two major projects at Gruvön and Skärblacka.

The investment at Gruvön will be worth MSEK 247 and comprises a new, biological external purification plant. The new plant will improve the environmental situation at the mill and will meet the requirements connected with the operation permit now in force for Gruvön. The investment is also a necessary adaptation for current production and capacity, and will provide flexibility in terms of any capacity-raising investments in future. The plant will enter operation in the first half of 2006. This project was described in the listing prospectus produced by Billerud in 2001.

The investment at Skärblacka will be worth MSEK 69 and will be used to increase capacity by 13,000 tonnes per year for sack paper and kraft paper produced on PM 9. The investment is necessary for capacity reasons and to fulfil the company's desire to continue development of higher quality sack paper and kraft paper. This investment meets Billerud's requirements for financial return on investment. Increased capacity will be on stream from the end of 2004.

## Henry Cooke

Billerud AB (publ) is negotiating to acquire British paper making company Henry Cooke Ltd. The acquisition process has commenced and is expected to be completed before the end of this calendar year. The expected purchase price is approx MSEK 230 on a debt free basis.

The company produces packaging paper and is specialised in paper for medical and flexible packaging; two of Billerud's prioritised product segments. The capacity is approx. 45 000 tons. The company has approx. 180 employees and an annual turnover of approx. MSEK 400. The sales are global but with a main focus on Europe.

## Nominations committee

A nominations committee has been appointed ahead of the 2004 Annual General Meeting. It consists of Björn Lind, SEB Fonder and SEB Trygg Liv, Caroline af Ugglas, Skandia Fonder and Skandia Liv and Lars Öhrstedt, AFA. Ingvar Petersson, chairman of Billerud AB, is secretary and convenor. Shareholders wishing to contact the committee can contact Ingvar Petersson by e-mail, [ingvar.petersson@billerud.com](mailto:ingvar.petersson@billerud.com) or by post to Billerud AB, Box 703, 169 72 Solna, Sweden.

## Outlook

Weaker demand for Billerud's packaging paper is expected to continue in the near future. There is downward pressure on prices in certain markets and certain segments.

Prices for market pulp have risen during September and October. Further price increase could come during the remainder of the year.

Production capacity at Billerud's mills has increased during the year by around 50,000 annual tonnes. No maintenance stops are planned for the final quarter.

Based on the current market situation, Billerud expects that the operating profit for the full year in 2003 will be around 10 % lower than in 2002. In the interim report for second quarter 2003, the expectation was of a 10-15% decline compared to 2002.

Stockholm, Sweden  
21 October 2003  
Billerud AB (publ)

### *Board of Directors*

*This interim report has not been subjected to a general check by the company's auditors*

### **Future financial statements**

Financial statement 2003	27 January 2004
First quarter 2004	22 April 2004
Second quarter 2004	20 July 2004
Third quarter 2004	21 October 2004

The next Annual General Meeting will be held on 5 May 2004.

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*Billerud manufactures and markets packaging paper in the form of kraft paper and containerboard, and market pulp. Production is carried out at the Group's integrated pulp and paper mills in Gruvön, Karlsborg and Skärblacka. Billerud has a world-leading position within several well-defined product segments. The main customer base is in Europe but also includes the rest of the world. Billerud has annual sales of approximately SEK 7 billion and around 2,400 employees.*

### Accounting principles

The accounts are prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council, including the new recommendations that came into effect on 1 January 2003. The new recommendations are not judged to have any material impact on the accounts. Concerning recommendation RR25 (Reporting for segments – line of business and geographic area) see comments under Products areas on page 5 of this report. The interim report is prepared in accordance with recommendation RR20 of the Swedish Financial Accounting Standards Council. For details of accounting principles and definitions of key figures, see the 2002 Annual Report pages 19 and 44-45.

Profit and Loss Account	3 months				9 months		Full year
	July-Sept 2003	Apr-Jun 2003	Jan-Mar 2003	July-Sept 2002	Jan-Sept 2003	Jan-Sept 2002	Jan-Dec 2002
MSEK							
Net turnover	1 728	1 731	1 844	1 804	5 303	5 332	7 067
Other income	4	2	2	3	8	8	10
<b>Operating income</b>	<b>1 732</b>	<b>1 733</b>	<b>1 846</b>	<b>1 807</b>	<b>5 311</b>	<b>5 340</b>	<b>7 077</b>
Raw materials and consumables	-603	-605	-611	-608	-1 819	-1 820	-2 417
Change in stock	-13	31	-33	24	-15	-60	-38
Staff expenses	-293	-334	-292	-284	-919	-879	-1 171
Other external expenses	-447	-446	-518	-492	-1 411	-1 434	-1 872
Depreciation	-94	-95	-95	-93	-284	-274	-365
<b>Operating expenses</b>	<b>-1 450</b>	<b>-1 449</b>	<b>-1 549</b>	<b>-1 453</b>	<b>-4 448</b>	<b>-4 467</b>	<b>-5 863</b>
<b>Operating profit</b>	<b>282</b>	<b>284</b>	<b>297</b>	<b>354</b>	<b>863</b>	<b>873</b>	<b>1 214</b>
Financial items	-20	-18	-21	-25	-59	-69	-98
<b>Profit after financial items</b>	<b>262</b>	<b>266</b>	<b>276</b>	<b>329</b>	<b>804</b>	<b>804</b>	<b>1 116</b>
Tax	-76	-76	-76	-94	-227	-228	-316
<b>Net profit for the period</b>	<b>186</b>	<b>190</b>	<b>200</b>	<b>235</b>	<b>577</b>	<b>576</b>	<b>800</b>
<b>Earnings per share, SEK</b>	<b>3.28</b>	<b>3.30</b>	<b>3.45</b>	<b>4.02</b>	<b>10.03</b>	<b>9.42</b>	<b>13.25</b>
<b>Earnings per share after full conversion, SEK</b>	<b>3.27</b>	<b>3.29</b>	<b>3.44</b>	<b>4.00</b>	<b>10.00</b>	<b>9.41</b>	<b>13.23</b>
<b>Balance Sheet</b>							
MSEK		<b>30 Sept 2003</b>	30 Sept 2002	30 Jun 2003	31 Mar 2003	31 Dec 2002	
Fixed assets		4 379	4 344	4 419	4 428	4 360	
Stocks		638	635	688	654	669	
Accounts receivable		1 162	1 224	1 143	1 143	1 107	
Other current assets		184	104	178	171	141	
Cash, bank balances and short-term investments		543	582	279	491	596	
<b>Total assets</b>		<b>6 906</b>	<b>6 889</b>	<b>6 707</b>	<b>6 887</b>	<b>6 873</b>	
Shareholders' equity		3 293	3 009	3 195	3 433	3 233	
Interest-bearing provisions		99	77	96	91	88	
Non-interest-bearing provisions		688	502	694	696	699	
Interest-bearing liabilities		1 726	2 227	1 728	1 728	1 928	
Accounts payable		361	365	354	384	372	
Other, non-interest-bearing liabilities		739	709	640	555	553	
<b>Total shareholders' equity, provisions and liabilities</b>		<b>6 906</b>	<b>6 889</b>	<b>6 707</b>	<b>6 887</b>	<b>6 873</b>	
<b>Specification of change in equity</b>							
MSEK		<b>Jan-Sept 2003</b>	Jan-Sept 2002	Jan-Jun 2003	Jan-Mar 2003	Full year 2002	
Opening equity		3 233	3 091	3 233	3 233	3 091	
Net profit for the period		577	576	390	200	800	
Dividend		-376	-220	-376	-	-220	
Share buy-back		-141	-441	-52	-	-441	
Convertible subordinated debenture, difference in value market rate/nominal rate		-	3	-	-	3	
<b>Closing equity</b>		<b>3 293</b>	<b>3 009</b>	<b>3 195</b>	<b>3 433</b>	<b>3 233</b>	



<b>Cash Flow Statement</b> MSEK	<b>Jan-Sept</b> <b>2003</b>	Jan-Sept 2002	Juli-Sept 2003	Full year 2002
Operating surplus, etc	<b>1 145</b>	1 139	373	1 567
Change in working capital, etc.	<b>22</b>	48	56	48
Net financial items, taxes, etc.	<b>-197</b>	-257	-18	-276
<b>Cash flow from operating activities</b>	<b>970</b>	930	411	1 339
Investment in fixed assets	<b>-305</b>	-264	-56	-373
Disposal of fixed assets	<b>1</b>	1	-	3
Change in long-term receivables	-	-	-	-
<b>Cash flow from investment activities</b>	<b>-304</b>	-263	-56	-370
<b>Operating cash flow</b>	<b>666</b>	667	355	969
Change in interest-bearing debt	<b>-202</b>	226	-2	-62
Dividend	<b>-376</b>	-220	-	-220
Share buy-back	<b>-141</b>	-441	-89	-441
Convertible subordinated debenture, difference in value market rate/nominal rate	-	3	-	3
<b>Cash flow from financing activities</b>	<b>-719</b>	-432	-91	-720
<b>Total cash flow (= change in liquid assets)</b>	<b>-53</b>	235	264	249
<b>Liquid assets at the beginning of the year</b>	<b>596</b>	347	279	347
<b>Total cash flow</b>	<b>-53</b>	235	264	249
<b>Liquid assets at the end of the period</b>	<b>543</b>	582	543	596

<sup>1)</sup> For the period January-September 2003 are operation profit, MSEK 863, depreciations added back, MSEK 284, and other items, MSEK -2 included.

<b>Key figures</b>	<b>Jan-Sept</b> <b>2003</b>	Jan-Sept 2002	Jan-Jun 2003	Jan-Mar 2003	Full year 2002
<b>Margins</b>					
Gross margin, %	<b>22</b>	22	22	21	22
Operating margin, %	<b>16</b>	16	16	16	17
<b>Return (rolling 12 months)</b>					
Return on capital employed, %	<b>26</b>	24	27	26	25
Return on equity, %	<b>25</b>	25	27	26	26
Return on equity after full conversion, %	<b>25</b>	25	27	26	26
<b>Capital structure at end of period</b>					
Capital employed, MSEK	<b>4 574</b>	4 732	4 740	4 760	4 653
Shareholders' equity, MSEK	<b>3 293</b>	3 009	3 195	3 433	3 233
Interest-bearing net debt, MSEK	<b>1 282</b>	1 722	1 545	1 327	1 420
Net debt/equity ratio, times	<b>0.39</b>	0.57	0.48	0.39	0.44
Net debt/equity ratio after full conversion, times	<b>0.38</b>	0.56	0.47	0.38	0.43
Equity ratio, %	<b>48</b>	44	48	50	47
Equity ratio after full conversion, %	<b>48</b>	44	48	50	47
<b>Per share</b>					
Earnings per share, SEK	<b>10.03</b>	9.42	6.75	3.45	13.25
Average no. of shares, '000	<b>57 491</b>	61 236	57 805	57 910	60 405
Earnings per share after full conversion, SEK	<b>10.00</b>	9.41	6.73	3.44	13.23
Average no. of shares, '000	<b>57 759</b>	61 335	58 074	58 178	60 546
<b>Per share at end of period</b>					
Equity per share, SEK	<b>58.31</b>	51.96	55.69	59.28	55.82
No. of shares, '000	<b>56 467</b>	57 910	57 374	57 910	57 910
Equity per share after full conversion, SEK	<b>58.53</b>	52.19	55.92	59.48	56.04
No. of shares, '000	<b>56 735</b>	58 178	57 642	58 178	58 178
Gross investments, MSEK	<b>305</b>	264	249	163	373
Average number of employees	<b>2 415</b>	2 366	2 388	2 397	2 383

## Product areas

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

MSEK	2003			2002				
	III	II	I	Full year	IV	III	II	I
Kraft paper	<b>868</b>	873	945	3 507	894	878	860	875
Containerboard	<b>486</b>	521	541	2 162	507	560	552	543
Market pulp	<b>376</b>	337	358	1 400	334	367	361	338
Other and eliminations	<b>-2</b>	-	-	-2	0	-1	-1	-
<b>Total Group</b>	<b>1 728</b>	1 731	1 844	7 067	1 735	1 804	1 772	1 756

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

MSEK	2003			2002				
	III	II	I	Full year	IV	III	II	I
Kraft paper	<b>197</b>	169	202	707	189	187	151	180
Containerboard	<b>58</b>	91	82	413	110	116	91	96
Market pulp	<b>51</b>	38	23	158	48	67	28	15
Other and eliminations	<b>-24</b>	- 14	-10	-64	-6	-16	-19	-23
<b>Total Group</b>	<b>282</b>	284	297	1 214	341	354	251	268

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

%	2003			2002				
	III	II	I	Full year	IV	III	II	I
Kraft paper	<b>23</b>	19	21	20	21	21	18	21
Containerboard	<b>12</b>	18	15	19	22	21	16	18
Market pulp	<b>14</b>	11	6	11	14	18	8	5
<b>The Group</b>	<b>16</b>	16	16	17	20	20	14	15

### Quarterly breakdown of deliveries by product area

'000 tonnes	2003			2002				
	III	II	I	Full year	IV	III	II	I
Kraft paper	<b>122</b>	115	126	482	118	120	120	124
Containerboard	<b>115</b>	121	125	494	112	126	129	127
Market pulp	<b>85</b>	69	83	316	75	75	84	82
<b>Total</b>	<b>322</b>	305	334	1 292	305	321	333	333