



BILLERUDKORSNÄS



Stable markets
and stable
performance
despite slow
ramp-up

INTERIM REPORT January–March 2016

KEY HIGHLIGHTS

- Net sales for the quarter amounted to SEK 5 357 million which was SEK 277 million lower compared to the same period last year mainly due to the divestment of Latgran.
- Earnings per share for the quarter amounted to SEK 2.33 (2.38).
- EBITDA margin was 19% (19%) and operating profit reached SEK 658 million which was SEK 40 million below first quarter 2015 primarily explained by the divestment of Latgran.
- Significant improvements were made in the production compared to previous quarter even if some problems still remained.
- Net sales and volumes were in line with previous year despite ramp-up issues during the quarter.

OUTLOOK

- Demand and order situation for the second quarter is expected to be stable with normal seasonal variances for all business areas.
- Average prices in local currency in the second quarter are in general anticipated to be stable. Prices within Corrugated Solutions may be impacted by the increased market supply.
- No changes to wood prices are anticipated for the second quarter.
- Limited volume growth is expected in business area Consumer Board in the second quarter due to the production disturbances in the first quarter.
- Gruvön and Skärblacka production units will have planned maintenance shutdowns during the second quarter.

KEY FIGURES

SEKm	Q1 2016	Q4 2015	Change	Q1 2015	Change
Net sales	5 357	5 213	3%	5 634	-5%
EBITDA	1 017	671	52%	1 051	-3%
EBITDA, %	19%	13%		19%	
Operating profit	658	320	106%	698	-6%
Operating margin, %	12%	6%		12%	
Net profit/loss for the period	481	199	142%	504	-5%
Earnings per share, SEK	2.33	0.96	143%	2.38	-2%
Operating cash flow	155	360	-57%	733	-79%
ROCE, %	15%	15%		11%	
Working Capital, % of net sales	12%	10%		11%	
Interest-bearing net debt / EBITDA, multiple	1.24	1.24	0.00	1.85	0.61

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 April 2016.



Comments by CEO

Stable markets and stable performance despite slow ramp-up

"We have again had a tough quarter with production lower than expected, due to last year's rebuilds. Production improved during the quarter and I anticipate production to reach target run rate at the end of the second quarter. Even if we did not reach our own growth expectations I still think we deliver a solid and satisfactory financial result. Our markets continue to be stable and we expect that growth will materialise as production stabilises."

THE RESULT

Net sales and EBITDA were down from the same quarter last year due to the divestment of Latgran in the third quarter 2015. For comparable units, Net sales was on the same level as last year and the EBITDA has actually improved. We saw improvements in results in both Consumer Board and Corrugated Solutions business areas.

MARKET OUTLOOK

The overall market has been stable and we expect this to continue with normal demand patterns.

Business area Packaging Paper experienced, as anticipated, a lower than normal brown sack market with lower prices in local currencies. Also the pulp price was down compared to Q1 last year. The remaining segments in Packaging Paper saw a stable market development with stable pricing with slight increases on MG paper.

For the first quarter Consumer Board did not manage to deliver sales volume growth. This is due to the problems in production in the fourth quarter. But we expect growth rates to start pick-up again in the second half of the year as the market has not changed and our production stabilises. In spite of the production problems during the quarter and the associated tight delivery situation the business area has managed to deliver a solid profit in line with previous year.

Business area Corrugated Solutions shows a continued strong performance. Corrugated markets continued to be stable during the quarter and our solution sales continued to grow successfully and take on-board new business.

STRATEGY

For our industry, sustainability has historically meant to minimise our impact on the environment. Sustainability is part of our core business and we see sustainability as a business opportunity. We are proud to be the only company in Sweden and the only one in our industry on the CDP's (previously Carbon Disclosure Project) A-list of companies that demonstrate leadership in measures to improve the climate. But we are also pleased for every customer that switches from plastics to BillerudKorsnäs' paper or board because that is when we have a tangible positive impact. As an example, an independent life cycle analysis shows that a paper bag results in half the emission of carbon dioxide compared to a plastic bag. Based on our products from renewable raw materials we can contribute to increased sustainability along the value chain by replacing other materials and solutions. As a result of the increasing interest for sustainable consumption, we also see an increasing interest in sustainable packaging among both brand owners and converters. With sustainability as part of our core business we consider our strategic position to be very strong.



Per Lindberg,
President and CEO

SEK 5 357 m
NET SALES

SEK 1 017 m
EBITDA

19%
EBITDA MARGIN

Sales and results

Increased net sales compared to the previous quarter combined with a substantial improvement in maintenance costs led to a positive profit development .

Quarterly sales and EBITDA excluding divested operations were on same level as last year.

Q1 2016 COMPARED TO Q4 2015

Net sales for the first quarter was 3% higher than the previous quarter, despite a somewhat unfavorable currency development and production ramp-up shortfall in Frövi, Gävle and Skärblacka during previous quarter. The group saw increased sales volumes for Packaging Paper, mainly due to volume losses from the rebuild in Skärblacka during previous quarter. Consumer Board reported a 5% increase in net sales following the rebuild of the board machine in Frövi during previous quarter. Corrugated Solutions remained on the same level as previous quarter with only a limited impact from the maintenance stop in Skärblacka during Q4.

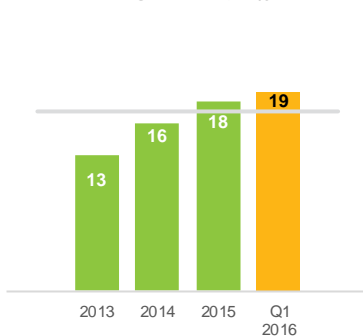
EBITDA increased by 52% following higher sales volumes and lower maintenance costs. Fourth quarter 2015 was impacted negatively by approximately SEK 310 million related to maintenance shutdowns and rebuilds, whereas no such stops were carried out during the first quarter.

Q1 2016 COMPARED TO Q1 2015

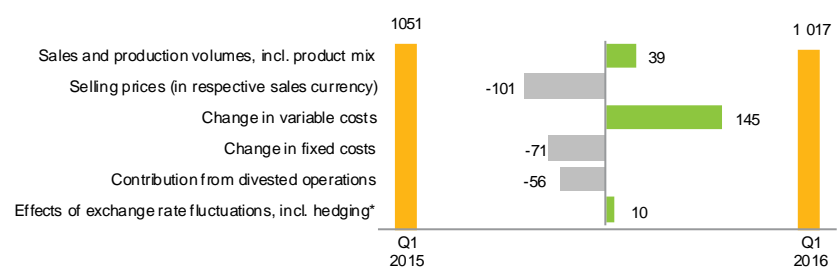
Net sales for the first quarter was 5% lower than the corresponding period last year due to a flat sales volume development and lower prices on pulp and brown sack paper. Also the divestiture of Latgran had a negative impact on sales. Corrugated Solutions volumes and sales developed positively compared to last year related to fluting, liner as well as growth for solutions sales. Consumer Board saw a reduction in sales volume due to production disturbances in Q4 at the Frövi mill. Packaging Paper sales volumes did not reach last year's level due to weakness in brown sack paper.

EBITDA decreased with 3%, primarily due to Latgran not contributing in the quarter. Reduction in variable costs is mainly explained by lower raw material costs. The increase in fixed costs was attributable to increased staff costs compared to same period last year.

EBITDA MARGIN
TARGET LEVEL >17%



CHANGE IN EBITDA Q1 2016 COMPARED TO Q1 2015, SEKm



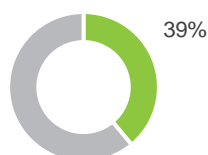
* Effects of exchange rate fluctuations totalling SEK 10 million comprise the following components: change in spot rates SEK -28 million, currency hedging SEK 136 million and currency effects from revaluation of trade receivables and payments from customers SEK -98 million.

Packaging Paper business area

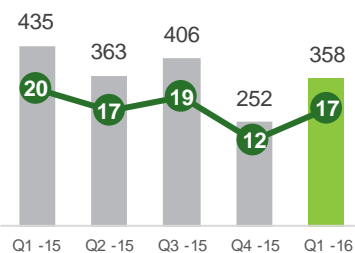
KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS

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

SHARE OF GROUP'S NET SALES Q1 2016



EBITDA



KEY FIGURES

SEK m	Q1 2016	Q4 2015	Q1 2015	Full year 2015
Net sales	2 087	2 020	2 182	8 552
Net operating expenses, other	-1 729	-1 768	-1 747	-7 096
EBITDA	358	252	435	1 456
EBITDA, %	17%	12%	20%	17%
Operating profit/loss	233	131	317	971
Operating margin, %	11%	6%	15%	11%
Sales volumes, ktonnes	295	281	300	1 163
whereof packaging paper	186	167	198	733

Q1 2016 COMPARED TO Q1 2015

Due to lower sales volumes of brown sack paper, unfavourable development of currency exchange rates and lower pulp prices, EBITDA for the quarter decreased by 18% compared to the same period last year. Net sales decreased with 4% compared to Q1 2015. The lower sales volume of brown sack paper and lower pulp prices were the main reasons for the decline. The prices in local currency were on the same level as last year except for brown sack paper and pulp. Lower pulp prices were partly offset by improved profitability in non-integrated production units. Prices for white MG increased slightly.

MARKET DEVELOPMENT

The market situation remained stable except for brown sack paper where the general economic conditions impacted the market negatively, especially in South East Asia, Middle East and North Africa. Prices in local currency were stable compared to previous quarter for all segments except the brown sack paper.

The market for NBSK pulp weakened somewhat during the quarter compared with the previous quarter. Prices decreased to approximately USD 790 per tonne at the end of the quarter, compared to approximately USD 800 at the end of the previous quarter. Price level on pulp at the end of Q1 2015 was USD 885.

OUTLOOK

During next quarter the overall Packaging Paper sales are expected to remain stable. Kraft paper market remains stable and the sack paper market is expected to seasonally improve. Prices in local currency are expected to be stable in the coming quarter.

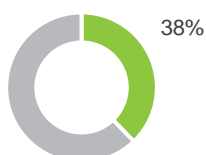
¹ The Packaging Paper business area buys and sells pulp at market price. The Group's net exposure in market pulp is estimated to average approximately 150 ktonnes annually.

Consumer Board business area

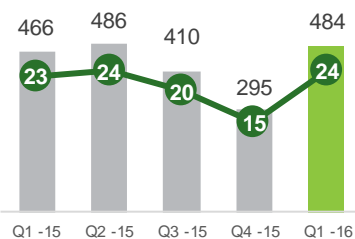
LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

Consumer Board delivers packaging materials in high-quality board made from primary fibre for beverages, food products and various other consumer goods. Smart solutions in terms of function, design and material selection create added value for customers.

SHARE OF GROUP'S NET SALES
Q1 2016



EBITDA



KEY FIGURES

SEKm	Q1 2016	Q4 2015	Q1 2015	Full year 2015
Net sales	2 024	1 933	2 023	8 006
Net operating expenses, other	-1 540	-1 638	-1 557	-6 349
EBITDA	484	295	466	1 657
EBITDA, %	24%	15%	23%	21%
Operating profit/loss	295	120	290	954
Operating margin, %	15%	6%	14%	12%
Sales volumes, ktonnes	265	257	272	1 065

Q1 2016 COMPARED TO Q1 2015

Due to more favourable product mix net sales remained at the same level as in Q1 2015 despite decrease in sales volumes. Sales volume decreased with approximately 3% due to production disturbances in Q4 at the Frövi mill and the subsequently reduced stock level available for deliveries.

EBITDA increased by 4% compared to Q1 2015, primarily due to lower variable costs.

MARKET DEVELOPMENT

The order situation for liquid packaging board and cartonboard in the first 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 for liquid packaging board and cartonboard are expected to continue to be stable and satisfactory with normal seasonal variances. Deliveries in the second quarter 2016 will be below the targeted growth rate due to the production losses past two quarters.

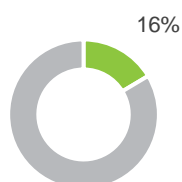


Corrugated Solutions business area

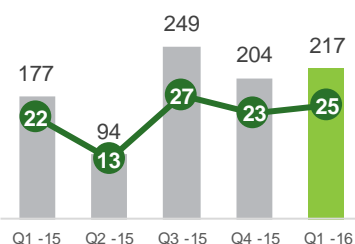
STRONG FLUTING AND LINER ADD VALUE

Corrugated Solutions supplies materials to corrugated board manufacturers and packaging solutions to brand owners. The strong and light materials – fluting and liner – are used in corrugated boxes for fragile goods and demanding distribution systems. Smart packaging is delivered via the Managed Packaging concept, which delivers supply chain solutions and packaging optimisations for brand owners, with a view to challenging conventional solutions.

SHARE OF GROUP'S NET SALES
Q1 2016



EBITDA



KEY FIGURES

SEKm	Q1 2016	Q4 2015	Q1 2015	Full year 2015
Net sales	879	880	801	3 329
Net operating expenses, other	-662	-676	-624	-2 605
EBITDA	217	204	177	724
EBITDA, %	25%	23%	22%	22%
Operating profit/loss	172	160	137	551
Operating margin, %	20%	18%	17%	17%
Sales volumes, ktonnes	138	132	129	506

Q1 2016 COMPARED TO Q1 2015

Net sales increased with 10% due to increased volume of fluting, liner and growth for solutions sales.

The EBITDA increased with 23% or SEK 40 million mainly due to increased sales, lower variable costs and higher prices partly offset by higher fixed costs and negative currency effects.

MARKET DEVELOPMENT

Order book and delivered volume was stable for fluting and good for liner. Prices for fluting and liner were stable during the quarter. Solutions sales continued to grow successfully and take on-board new business.

OUTLOOK

In general, the demand for both fluting and liner is estimated to be stable during next quarter. An increased pressure on prices for both fluting and liner is foreseen as a consequence of increased market supply.

The increased capacity from the rebuild of PM6 in Gruvön will continue to come through gradually during the year and together with already achieved improved quality further enhanced BillerudKorsnäs' position as market leader for primary fibre based fluting. Continued investments in solution sales are expected to generate continued strong growth.



Currency hedging

SEK 31 million earnings impact for the quarter.

Currency hedging had an overall earnings impact of SEK 31 million (-105) for the first quarter (compared to no hedging).

For the coming 15 months 65 percent of the forecasted net flows of EUR have been hedged at 9.50 (9.15) against SEK and 37 percent of the forecasted net flows of USD have been hedged at 8.51 (6.91) against SEK. 6 percent of the forecasted net flows of GBP have been hedged at 12.16 (11.25) against SEK.

The outstanding forward exchange contracts at 31 March 2016 had a market value of SEK 132 million, whereof SEK 29 million is the part of the contracts matched by trade receivables that has affected earnings in the fourth quarter. Accordingly, other contracts had a market value of SEK 103 million.

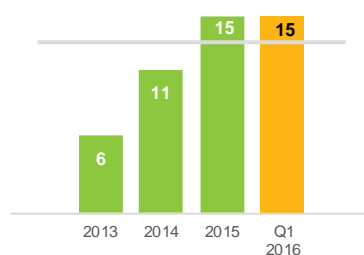
HEDGED PORTION OF THE FORECASTED CURRENCY FLOWS FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (31 MARCH 2016)

Currency		Q2 -16	Q3-16	Q4-16	Q1-17	Q2-17	Total 15 months
EUR	Share of net flow	80%	81%	78%	65%	20%	65%
	Rate	9.49	9.50	9.47	9.51	9.54	9.50
USD	Share of net flow	77%	70%	31%	6%	-	37%
	Rate	8.49	8.53	8.53	8.48	-	8.51
GBP	Share of net flow	28%	-	-	-	-	6%
	Rate	12.16	-	-	-	-	12.16
Market value of currency contracts*		40	40	27	19	6	132

*On 31 March 2016

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.

RETURN ON CAPITAL EMPLOYED TARGET LEVEL >13%



Investments and capital employed

Gross investments amounted to SEK 254 million (246) for the first quarter.

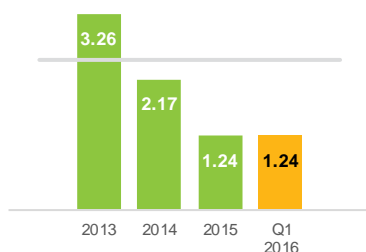
Investments for 2016 will amount to approximately SEK 1 300 million and does not include any rebuilds. This excludes future restructuring projects in Gruvön and Skärblacka.

Capital employed at 31 March 2016 amounted to SEK 17 726 million (17 606). Return on capital employed (ROCE), calculated over the past 12-month period, amounted to 15% (11%). Return on equity was 15% (14%).

Cash flow and financial position

NET DEBT/EBITDA

TARGET LEVEL <2.5



SUMMARY CASH FLOW STATEMENT

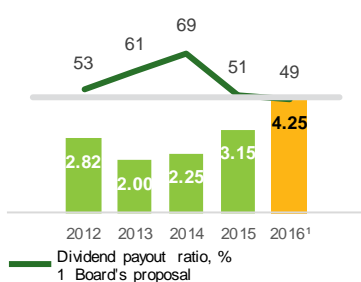
SEKm	Quarter	
	Q1 -16	Q1 -15
Operating surplus, etc.	996	1 021
Change in working capital, etc.	-404	-214
Net financial items, taxes, etc.	-183	170
Cash flow from operating activities	409	977
Current net investments	-254	-244
Operating cash flow	155	733

Operating cash flow during the first quarter 2016 amounted to SEK 155 million (733). The decrease compared to same period last year was mainly due to increase in working capital and repayment of preliminary tax payments of approximately SEK 300 million received in Q1 2015. Working capital in relation to sales was 12% for the quarter, compared to 10% for the full year 2015. The negative deviation was related to increased accounts receivables as well as inventory levels combined with a reduction of accounts payables. Our target is to have a working capital in relation to sales at 10% and we continue to work diligently to get back to that level.

Net interest-bearing debt on 31 March 2016 was SEK 4 911 million (6 390). The Group's interest-bearing net debt in relation to EBITDA at the end of the period was 1.24 (1.85). The target is to have a ratio less than 2.5.

DIVIDEND POLICY

TARGET LEVEL 50%



¹ Board's proposal

Financing

Interest-bearing debt amounted to SEK 4 406 million, an increase of SEK 11 million since the previous quarter and a decrease of SEK 1 762 million compared to March 31 2015. The interest-bearing debt portfolio consist of term loans of SEK 1 100 million, bond loans of MSEK 2 200 million, commercial papers of SEK 549 million and other interest bearing debt of total SEK 557 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				-
Term loans		400		700	1 100
Bond loans within MTN program	5 000	400	1 800		2 200
Commercial paper	3 000	549			549
Term loan, Bomhus Energi AB		38	40	478	556
Other interest-bearing liabilities			1		1
Group total		1 387	1 841	1 178	4 406

Taxes

The tax cost for the first quarter 2016 amounted to SEK 139 million (141), equal to approximately 22% (22%) of profit before tax.



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 MAINTENANCE 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	Corrugated Solutions	2016	2015
Gävle	~ 140	~ 5%	~ 80%	~ 15%	Q3	Q3	Q4
Gruvön	~ 130	~ 40%	~ 5%	~ 55%	Q2	Q2	Q2
Frövi	~ 90	0%	100%	0%	Q4	Q4	Q3
Skärblacka	~ 90	~ 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.

Costs for planned maintenance shutdown reflect estimated cost impact for 2016.

Parent company

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

Operating profit for the first quarter 2016 amounted to SEK 7 million compared with SEK -104 million for the first quarter 2015. The increase is mainly due to changed principles for allocation of the parent company's costs to subsidiaries and from positive 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 for the first quarter to SEK 31 million (-105).

The average number of employees was 103 (92). Cash and bank balances and short-term investments amounted to SEK 70 million (296).

Largest shareholders

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (31 MAR 2016)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	14 623 122	7.1
Swedbank Robur Funds	8 144 171	3.9
Fourth Swedish National Pension Fund	6 345 359	3.1
Handelsbanken Funds	5 106 343	2.5
Lannebo Funds	4 677 088	2.3
Norges Bank Investment Management	4 218 469	2.0
Alecta	4 000 000	1.9
DFA Funds (USA)	3 922 599	1.9
Catella Funds	3 298 171	1.6
Total 10 largest shareholders	85 635 322	41.4
Total number of shares in the market	206 951 152	100.0

Distribution of shares

DISTRIBUTION OF SHARES (31 MAR 2016)

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 24-30 of the 2015 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 9 April 2016, the Ministry of Commerce of the People's Republic of China (MOFCOM) made its final decision to impose anti-dumping duties on imports of brown sack paper to China from exporters in EU, US and Japan, including imports of brown sack paper from BillerudKorsnäs, as from 10 April 2016. The rate of duties imposed on BillerudKorsnäs is 23.5%. The duties will be in force five years from 10 April 2016. Preliminary duties have been in force since 10 December 2015. In 2015, BillerudKorsnäs had sales of brown sack paper to China of approximately SEK 60 million.

On 14 April 2016, BillerudKorsnäs acquired all outstanding shares in ScandFibre Logistics AB, in which it previously owned 40% of the shares. ScandFibre Logistics is a transport and logistics company, specialising in rail transports for the Swedish pulp and paper industry. The shares were acquired from Mondi Dynäs AB, Smurfit Kappa Piteå AB and Holmen AB. BillerudKorsnäs is already today the biggest utiliser of ScandFibre Logistics' rail system. The acquisition is made in order to secure continuous cost efficient operations and long term development of ScandFibre Logistics.

Solna, 20 April 2016

Per Lindberg, CEO

FINANCIAL CALENDAR

2016 Annual General Meeting
– 10 May 2016

Q2 – 20 July 2016

Q3 – 21 October 2016

The information in this interim report is such that BillerudKorsnäs AB (publ) is obliged to disclose under the Swedish Securities Market Act. This report has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditors.

Every year one of our customers, an international brand owner, produces millions of garments in Asia, which are then shipped in containers to the European and American markets. Their old packaging was not optimised for containers, which caused unnecessary damage to their products.

BillerudKorsnäs developed a completely new carton system that used almost a maximum 98% of the container. The material was improved, which made it possible to reuse the cartons while reducing packaging weight. We also adapted the packaging for automatic handling at the distribution centre and trained staff in the new packaging system.

For the customer, the result was an annual saving of an impressive USD 50 million – mainly due to lower transport volumes, but also to less consumption of packaging materials and increased reuse of packaging at the distribution centre.

CASE



**PERFECT FOR
DEMANDING
GLOBAL
DELIVERIES**



BillerudKorsnäs Group

Income statement

SEKm	Quarter			Full year
	Q1 -16	Q4 -15	Q1 -15	2015
Net sales	5 357	5 213	5 634	21 814
Other income	30	34	48	594
Operating income	5 387	5 247	5 682	22 408
Change in inventories	101	-49	-41	-214
Raw materials and consumables	-2 624	-2 448	-2 804	-10 597
Other external costs	-1 008	-1 223	-1 023	-4 421
Employee benefits expense	-839	-850	-763	-3 167
Depreciation and impairment of non-current assets	-359	-351	-353	-1 417
Profit/Loss from participations in associated companies	-	-6	-	-6
Operating expenses	-4 729	-4 927	-4 984	-19 822
Operating profit/loss	658	320	698	2 586
Financial income and expenses	-38	-57	-53	-175
Profit/Loss before tax	620	263	645	2 411
Taxes	-139	-64	-141	-443
Net profit/loss for the period	481	199	504	1 968
Profit/Loss attributable to:				
Owners of the parent company	481	200	492	1 811
Non-controlling interests	-	-1	12	157
Net profit/loss for the period	481	199	504	1 968
Earnings per share, SEK	2.33	0.96	2.38	8.75
Diluted earnings per share, SEK	2.32	0.96	2.37	8.73

Statement of comprehensive income

SEKm	Quarter			Full year
	Q1 -16	Q4 -15	Q1 -15	2015
Net profit/loss for the period	481	199	504	1 968
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains or losses on defined benefit pension plans	-	35	-	-28
Tax attributable to items not to be reclassified to profit or loss	-	-8	-	6
Total items never reclassified to profit or loss	-	27	-	-22
Items that have been or may be reclassified subsequently to profit or loss				
Differences arising from the translation of foreign operations' accounts	4	-45	-39	-82
Change in fair value of shareholding in Bergvik Skog	1	454	2	456
Change in fair value of cash flow hedges	14	57	53	141
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	-3	-13	-11	-31
Total items that have been or may be reclassified subsequently to profit or loss	16	453	5	484
Total comprehensive income for the period	497	679	509	2 430
Attributable to:				
Owners of the parent company	497	679	499	2 278
Non-controlling interests	-	-	10	152
Total comprehensive income for the period	497	679	509	2 430



Balance sheet

SEKm	31 Mar 2016	31 Mar 2015	31 Dec 2015
Intangible assets	2 361	2 561	2 384
Property, plant and equipment	14 734	14 763	14 812
Other non-current assets	1 343	857	1 341
Total non-current assets	18 438	18 181	18 537
Inventories	2 921	3 140	2 842
Accounts receivable	2 587	2 781	2 512
Other current assets	854	724	1 004
Cash and cash equivalents	257	545	188
Total current assets	6 619	7 190	6 546
Total assets	25 057	25 371	25 083
Equity attributable to owners of the parent company	12 752	11 116	12 253
Non-controlling interests	62	99	165
Total equity	12 814	11 215	12 418
Interest-bearing liabilities	3 019	3 844	3 027
Provisions for pensions	773	767	783
Other provisions	146	59	45
Deferred tax liabilities	3 185	2 991	3 186
Total non-current liabilities	7 123	7 661	7 041
Interest-bearing liabilities	1 387	2 324	1 368
Accounts payables	2 293	2 524	2 679
Other liabilities and provisions	1 440	1 647	1 577
Total current liabilities	5 120	6 495	5 624
Total equity and liabilities	25 057	25 371	25 083

Statement of changes in equity

SEKm	Quarter		Full year
	Q1 -16	Q1 -15	2015
Opening balance	12 418	10 704	10 704
Comprehensive income for the period	497	509	2 430
Share-based payment to be settled in equity instruments	2	2	11
Dividend to owners of the parent company	-	-	-651
Dividend to non-controlling interests	-103	-	-76
Closing balance	12 814	11 215	12 418
Equity attributable to:			
Owners of the parent company	12 752	11 116	12 253
Non-controlling interests	62	99	165
Closing balance	12 814	11 215	12 418

Statement of cash flow

SEKm	Quarter			Full year
	Q1 -16	Q4 -15	Q1 -15	2015
Operating surplus, etc.*	996	692	1 021	3 622
Change in working capital, etc.	-404	222	-214	120
Net financial items, taxes, etc.	-183	-10	170	-84
Cash flow from operating activities	409	904	977	3 658
Investments in property, plant and equipment	-254	-514	-246	-1 672
Acquisition of financial assets	-	-36	-	-38
Sales of subsidiary	-	-2	-	941
Disposal of property, plant and equipment	-	6	2	9
Cash flow from investing activities	-254	-546	-244	-760
Change in interest-bearing receivables	-	12	-1	-
Change in interest-bearing liabilities	12	-527	-917	-2 687
Dividend to owners of the parent company	-	-	-	-651
Dividend to non-controlling interests	-103	-	-	-76
Cash flow from financing activities	-91	-515	-918	-3 414
Total cash flow (=change in cash and cash equivalents)	64	-157	-185	-516
Cash and cash equivalents at start of period	188	377	737	737
Translation differences in cash and cash equivalents	5	-32	-7	-33
Cash and cash equivalents at the end of the period	257	188	545	188

* The amount for the period January-March 2016 takes into account operating profit of SEK 658 million, reversed depreciation SEK 359 million, decrease in pension liabilities SEK -15 million, other provisions SEK -13 million, net of produced and sold electricity certificates and sold emission rights SEK 5 million and incentive programmes SEK 2 million. The amount for the period January-March 2015 takes into account operating profit of SEK 698 million, reversed depreciation SEK 353 million, decrease in pension liabilities SEK -10 million, other provisions SEK -9 million, net of produced and sold electricity certificates and sold emission rights SEK -13 million and incentive programmes SEK 2 million.



Note 1 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 2015, see pages 40-46 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 17 of this report.

Note 2 Financial assets and liabilities

Group 31 March 2016	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	-	-	1 289	-	1 289	1 289
Long-term receivables	-	18	-	-	18	18
Accounts receivable	-	2 587	-	-	2 587	2 587
Other receivables	107	485	-	-	592	592
Cash and cash equivalents ¹	-	257	-	-	257	257
Total	107	3 347	1 289	-	4 743	4 743
Non-current interest-bearing liabilities	-	-	-	3 019	3 019	3 058
Current interest-bearing liabilities	-	-	-	1 387	1 387	1 387
Accounts payables	-	-	-	2 293	2 293	2 293
Other liabilities	171	-	-	267	438	438
Total	171	-	-	6 966	7 137	7 176

Group 31 December 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	-	-	1 289	-	1 289	1 289
Long-term receivables	-	18	-	-	18	18
Accounts receivable	-	2 512	-	-	2 512	2 512
Other receivables	97	637	-	-	734	734
Cash and cash equivalents ¹	-	188	-	-	188	188
Total	97	3 355	1 289	-	4 741	4 741
Non-current interest-bearing liabilities	-	-	-	3 027	3 027	3 081
Current interest-bearing liabilities	-	-	-	1 368	1 368	1 368
Accounts payables	-	-	-	2 679	2 679	2 679
Other liabilities	174	-	-	264	438	438
Total	174	-	-	7 338	7 512	7 566

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.

Note 3 Other disclosures

Other disclosures in accordance with IAS 34.16A are disclosed on the pages prior the Income statement and the Statement of comprehensive income. Business area/segment information is disclosed on the pages 4-6, Seasonal effects are disclosed on page 9 and Events after the end of the quarter on page 11.

Key figures

	Jan-Mar		Full year
	2016	2015	2015
Margins			
EBITDA, %	19	19	18
Operating margin, %	12	13	12
Return (rolling 12 months)			
Return on capital employed, %	15	11	15
Return on equity, %	15	14	16
Capital structure at end of period			
Capital employed, SEKm	17 726	17 606	17 397
Working capital, SEKm	2 667	2 575	2 243
Equity, SEKm	12 814	11 215	12 418
Interest-bearing net debt, SEKm	4 911	6 390	4 979
Net debt/equity ratio	0.38	0.57	0.40
Interest-bearing net debt / EBITDA, multiple	1.24	1.85	1.24
Key figures per share			
Earnings per share, SEK	2.33	2.38	8.75
Dividend (for the financial year) per share, SEK	-	-	4.25 ¹
Other key figures			
Working capital as percentage of net sales, %	12	11	10
Gross investments, SEKm	254	246	1 710
Average number of employees	4 214	4 238	4 223

¹ Board's proposal

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 cash flow

Cash flow from operating activities including net investments in property, plant and equipment and acquisition of financial assets.

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 calculated over 12 months, 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 annual net sales at year end or annualised net sales during interim-quarter (net sales for the quarter multiplied by four).



Parent Company

Summarised income statement

SEKm	Quarter		Full year
	Q1 -16	Q1 -15	2015
Operating income	126	-16	256
Operating expenses	-119	-88	-441
Operating profit/loss	7	-104	-185
Financial income and expenses	-37	-52	1 318
Profit/Loss after financial income and expenses	-30	-156	1 133
Appropriations	-	-	707
Profit/loss before tax	-30	-156	1 840
Taxes	7	34	-69
Net profit/loss for the period	-23	-122	1 771

Summarised balance sheet

SEKm	31 Mar	31 Mar	31 Dec
	2016	2015	2015
Non-current assets	10 765	10 727	10 764
Current assets	4 254	3 891	6 815
Total assets	15 019	14 618	17 579
Shareholders' equity	7 242	6 008	7 263
Untaxed reserves	660	355	660
Provisions	200	338	201
Interest-bearing liabilities	6 482	6 837	7 410
Other liabilities	435	1 080	2 045
Total equity and liabilities	15 019	14 618	17 579

Quarterly data

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas. Other units include results from wood supply, Nine AB, rental operations and dormant companies. For period until Q2 2015, other units also include results from SIA Latgran. 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	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14
Packaging Paper	2 087	2 020	2 174	2 176	2 182	1 959	2 058	2 016
Consumer Board	2 024	1 933	2 006	2 044	2 023	1 768	1 897	1 822
Corrugated Solutions	879	880	926	722	801	816	773	767
Other units	363	387	368	596	661	609	487	512
Currency hedging, etc.	4	-7	4	-49	-33	-28	-24	11
Group staff and eliminations	-	-	-	-	-	-	-	-
Total Group	5 357	5 213	5 478	5 489	5 634	5 124	5 191	5 128

EBITDA quarterly per business area and for the group

SEKm	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14
Packaging Paper	358	252	406	363	435	303	277	288
Consumer Board	484	295	410	486	466	354	409	419
Corrugated Solutions	217	204	249	94	177	162	161	103
Other units	6	15	365	90	76	49	62	51
Currency hedging, etc.	4	-7	4	-49	-33	-28	-24	11
Group staff and eliminations	-52	-89	-48	-87	-71	-31	-93	-79
Total Group	1 017	670	1 386	897	1 050	809	792	793

EBITDA¹ quarterly per business area and for the group

SEKm	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14
Packaging Paper	358	370	458	422	435	308	424	363
Consumer Board	484	472	526	500	466	471	520	431
Corrugated Solutions	217	219	260	191	177	175	181	159
Other units	6	16	22	90	76	49	62	51
Currency hedging, etc.	4	-7	4	-49	-33	-28	-24	11
Group staff and eliminations	-52	-89	-48	-87	-71	-31	-76	-62
Total Group	1 017	981	1 222	1 067	1 050	944	1 087	953
Costs for maintenance shutdowns	-	-310	-179	-170	-	-135	-227	-143
Non-recurring items	-	-1	343	-	-	-	-68	-17
EBITDA	1 017	670	1 386	897	1 050	809	792	793

EBITDA margin¹ quarterly per business area and for the group

%	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14
Packaging Paper	17	18	21	19	20	16	21	18
Consumer Board	24	24	26	24	23	27	27	24
Corrugated Solutions	25	25	28	26	22	21	23	21
Group	19	19	22	19	19	18	21	19

Sales volumes quarterly per business area and for the group

ktonne	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Q2 -14
Packaging Paper	295	281	294	288	300	275	288	294
Consumer Board	265	257	262	274	272	235	252	249
Corrugated Solutions	138	132	139	106	129	134	127	128
Total Group	698	670	695	668	701	644	667	671

¹ EBITDA 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 74% 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 3-4% per year. 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

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