



FINANCIAL STATEMENT January-December 2004

Corporate Identity No. 556025-5001

www.billerud.com

	Quarter			Full year	
	2004 IV	2004 III	2003 IV	2004	2003
Net turnover, MSEK	1 753	1 822	1 689	7 159	6 992
Operating profit, MSEK	131	269	255	786	1 118
Operating margin, %	8	15	15	11	16
Profit after financial items, MSEK	116	251	238	712	1 042
Net profit, MSEK	85	181	172	514	748
Earnings per share, SEK	1.65	3.46	3.10	9.75	13.13

- The operating profit for the full year 2004 was MSEK 786, down 30% on 2003, mainly due to unfavourable exchange rates.
- Compared with the third quarter of 2004, the operating profit in the final quarter fell 51% to MSEK 131, mainly due to unfavourable exchange rates.
- The return on capital employed in 2004 reached 17%, compared with 24% in 2003. Excluding the effects of currency hedging the return was 11%.
- The operating cash flow during the year was MSEK 655 (992) and MSEK 55 during the final quarter.
- Deliveries amounted to 1,371,000 tonnes, up 6% on last year.
- The Board proposes a dividend of SEK 6.50 per share, the same as in 2003. The Board will also request authorisation to continue buying back the company's shares.
- The outlook for 2005 points to unchanged deliveries and higher pulp prices. Because of a recent storm in Sweden, wood prices are difficult to predict. Other costs are expected to remain unchanged. Changed exchange rates are expected to have a negative impact of MSEK 300 on results.

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Billerud's CEO Bert Östlund will present the Financial Statement at a press conference today at 4 p.m. Location: Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm. The press conference will also be transmitted at www.billerud.com

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Billerud is a packaging paper company with a business concept to supply customers with innovative and high quality packaging paper. A consistent concentration on attractive market segments and a strong customer focus are cornerstones of Billerud's strategy. Billerud focuses on kraft paper and containerboard and has a world-leading position within several product segments. The company's production units are among the most cost-efficient in Europe for these products.

Billerud Group

Market

Deliveries during the final quarter amounted to 352,000 tonnes, up 4% on the third quarter. For 2004 as a whole, deliveries amounted to 1,371,000 tonnes, up 6% on 2003. The increase in deliveries is primarily due to Billerud's increased production capability.

Deliveries of packaging paper in the final quarter reached 274,000 tonnes, up 3% on the third quarter. For 2004 as a whole, deliveries totalled 1,059,000 tonnes, up 10% on 2003. The acquired mill in Beetham, UK, accounted for around 4 percentage points of the increase.

Pulp prices fluctuated considerably in 2004. The price of long fibre sulphate pulp was USD 560 per tonne at the start of the year and climbed to reach USD 660 by the summer only to fall in the autumn to USD 580. By the end of the year the price was up again at USD 620 per tonne. Billerud's deliveries of market pulp amounted to 78,000 tonnes during the final quarter, up 7% on the previous quarter. For 2004 as a whole, deliveries totalled 312,000 tonnes, down 3% on 2003. The reduction was due to the fact that around 23,000 tonnes were delivered internally to the acquired mill in Beetham.

Sales and results

Final quarter

Net turnover for the quarter was MSEK 1,753, down 4% on the previous quarter, mainly due to a slightly different product mix and unfavourable exchange rates.

The operating profit was MSEK 131, down MSEK 138, or 51%, on the previous quarter. The fall was mainly due to unfavourable exchange rates including the effects of a currency hedge, but a changed product mix and higher costs also had a negative effect. The higher costs are partly seasonal and partly due to higher costs for imported wood at the end of the year.

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

Net financial items amounted to MSEK -15.

Full year 2004

Net turnover amounted to MSEK 7,159, up 2% on the previous year. The increase was mainly due to the acquisition of Beetham, which added net turnover of MSEK 250 during the year.

The operating profit was MSEK 786, down MSEK 332, or 30%, on 2003. The difference is due to the following components (figures in MSEK):

Increased deliveries and production volumes	+ 200
Lower sales prices (in local currencies)	- 170
Higher costs	- 30
<u>Effect of unfavourable exchange rates</u>	<u>- 330</u>
Total effect on results (rounded off)	- 330

Higher costs are the net effect of several factors. Higher wood prices increased costs by around MSEK 90, mainly in the second half of the year. This was partly compensated for by

reduced costs, mainly energy costs, where lower oil consumption and the full-year effect of so-called electricity certificates were the biggest items. During 2004 the sale of electricity certificates had a positive effect of MSEK 120 (55) on results. This is reported in the operating profit as a reduction in electricity costs.

The effects of currency and electricity price hedging are commented upon below.

Net financial items were MSEK -74, up MSEK 2, or 3%, on 2003 due to lower interest rates.

The estimated tax cost was MSEK 198, corresponding to a tax rate of 28%.

Foreign exchange exposure

During 2004 net flows were hedged at the following rates: EUR/SEK 9.25 (9.30), USD/SEK 8.61 (10.18) and GBP/SEK 13.54 (14.42). Currency hedging in 2004 had an overall positive effect of MSEK 314 (500), of which MSEK 86 occurred in the final quarter. Of the total for the full year, 14% was due to EUR, 85% to USD and 1% to GBP.

Billerud's outstanding currency contracts as of 31 December 2004 had a market value of MSEK 106. The share of contracts corresponding to accounts receivable affected results in 2004. Other contracts, i.e. outstanding contracts as of 31 December 2004 not corresponding to accounts receivable, had a market value of MSEK 74.

Currently, Billerud has hedged around 71% of estimated net flows in EUR over 12 months, around 54% of estimated net flows in USD over 12 months and around 52% of estimated net flows in GBP over 12 months at the rates shown below. 63% of hedged amounts are in EUR, 32% in USD and 5% in GBP. In addition, 50% of net flows in DKK have been hedged, which represents around 0.4% of the total hedged sum.

Hedged exchange rates

Currency	Q 1 2005	Q 2 2005	Q 3 2005	Q 4 2005	Q 1 2006	Average rate
EUR/SEK	9.15	9.24	9.18	9.20	-	9.19
USD/SEK	7.25	7.10	7.09	6.86	6.86	7.08
GBP/SEK	13.17	13.13	12.85	12.67	-	13.01
DKK/SEK	1.21	1.21	1.21	1.21	-	1.21

Hedging of electricity prices

Billerud consumes around 1.6 TWh of electricity annually, of which around 1.1 TWh is acquired from external suppliers and the rest is produced in the company's mills. At present around 75% of the purchase in 2005 is hedged. I

Investments and capital employed

Investments amounted to MSEK 568 gross, of which MSEK 115 was for energy investments, which are described below, and the remainder, MSEK 453, was for other investments, including the start of the biological treatment plant at Gruvön (around MSEK 99) and increased capacity for sack paper and kraft paper at Skärblacka.

As previously announced the Board has decided to invest MSEK 1,050 in programmes to reduce energy costs at the three pulp and paper mills in Sweden. These investments include new turbines for back-pressure power, a rebuild of the bark boilers at all three mills and new electricity supply at the Gruvön mill.

These investments will approximately double the company's generation of electricity, which will mean that self-sufficiency will rise from around 30% to around 60%. Oil consumption is expected to fall from the current level of around 45,000 m³ to 15,000 m³. Heating oil will be replaced by bio-fuel. The new equipment will be brought on stream from the second half of 2005 up to the end of 2006. The investments more than match Billerud's requirements for financial return and the repayment period is less than five years.

Depreciation in 2004 amounted to MSEK 400. Billerud has established an investment framework that corresponds to the depreciation level. The energy investments, however, are outside this framework.

Billerud's capital employed amounted to MSEK 4,511 as of 31 December 2004, compared with MSEK 4,424 at the end of 2003. The increase is mainly due to the acquisition of Billerud Beetham and the somewhat higher investment level during the year. The increase was reduced by higher liabilities due to deferred tax.

The return on capital employed was 17%, compared with 24% for the full year in 2003. The return on shareholders' equity after tax was 17%. If the positive effects of currency contracts are excluded, the return was 11% in 2004.

Cash flow and financial position

Cash flow from current activities during the period amounted to MSEK 1,219. Compared with the previous year cash flow was affected negatively by a lower operating surplus but affected positively by lower tax payments. Ongoing investments are higher than in the previous year, mainly due to the energy projects that have started. In total, operating cash flow amounted to MSEK 655, which was down MSEK 337 on 2003.

The acquisition of Billerud Beetham affected cash flow by MSEK 222, of which MSEK 209 was payment for shares and the assumption of net debt. The remaining amount is due to costs of around MSEK 6 in connection with the take-over and costs of around MSEK 7 for changes in the sales organisation. Cash flow in the company from the acquisition date is reported in the cash flow statement.

During the period MSEK 346 was paid in dividends and MSEK 317 in share buy-backs. A total of MSEK 663 was therefore paid out to shareholders.

External borrowings increased by MSEK 258 during the period and liquid assets increased by MSEK 25. Net debt increased by MSEK 249.

The Group's net debt/equity ratio at the end of the period was 0.48, compared with 0.38 at the end of 2003 and 0.47 on 30 September 2004. The increase in the net debt/equity ratio during 2004 was mainly a consequence of the acquisition of Billerud Beetham and is in accordance with Billerud's financial goals.

Cash flow summary

MSEK (positive figure indicates a reduction in debt)	Jan-Dec 2004	Oct-Dec 2004	July-Sept 2004	Jan-Dec 2003
Current activities	1 219	260	338	1 372
Current net investments, excluding energy projects	-449	-162	-57	-380
Energy project investments	-115	-43	-72	
Operating cash flow	655	55	209	992
Acquisition of Billerud Beetham Ltd	-222			
Cash flow after investments	433	55	209	992
Dividend	-346	0		-376
Share buy-back	-317	-88	-61	-401
To shareholders	-663	-88	-61	-777
Other items not affecting cash flow	-19	- 6	1	-15
Change in net debt during the period	-249	-39	149	200

Financing

Interest-bearing loans as of 31 December 2004 amounted to MSEK 1,720. This includes utilisation of a syndicated bank loan of MSEK 224, bond loans of MSEK 741 and utilisation of Billerud's certificate programme of MSEK 726 (of a maximum MSEK 1,000). There is also a convertible debenture with a market value of MSEK 29.

In 2004 Billerud signed a new five-year agreement for a syndicated bank loan worth MSEK 1,200. The loan will be used to refinance Billerud's previous loaning facilities. Bonds have been used for financing to get a better spread of maturity dates. Issued certificates are covered by long-term loan guarantees.

Personnel

The average number of employees during 2004 was 2,623, compared with 2,451 in 2003. The average number of employees thus rose by 172, mainly due to the acquisition of Beetham.

Product areas

Billerud's activities consist of three product areas – Kraft paper, Containerboard and Market pulp – which are strongly integrated in terms of production, making them hard to identify for accounting purposes. Risks and opportunities do not differ significantly between the product areas. Billerud has chosen to report and control its activities in these three product areas, which in the company's judgement form a joint operation and a primary segment. Markets are not considered to differ significantly in terms of risks and opportunities.

Net turnover and operating profit

MSEK	Net turnover						Operating profit					
	Q 4 2004	Q 3 2004	% change	Jan- Dec 2004	Jan- Dec 2003	% change	Q4 2004	Q 3 2004	% change	Jan- Dec 2004	Jan- Dec 2003	% change
Kraft paper	878	904	-3	3 613	3 474	4	96	150	-36	490	718	-32
Containerboard	568	573	-1	2 131	2 067	3	49	87	-44	171	287	-40
Market pulp	307	345	-11	1 415	1 454	-3	11	54	-80	192	175	10
Other and eliminations	-	-		0	-3		-25	-22		-67	-62	
Total Group	1 753	1 822	-4	7 159	6 992	2	131	269	-51	786	1 118	-30

Kraft paper

Final quarter

The operating profit for the quarter was MSEK 96, down MSEK 54, or 36%, on the previous quarter mainly due to unfavourable exchange rates including the effects of currency hedging, but also due to a changed product mix and higher costs.

Full year 2004

Compared with the previous year the operating profit was down 32% to MSEK 490. Deliveries were up 11%, of which 7 percentage points was due to Beetham. Unfavourable exchange rates and somewhat lower average sales prices explain the fall in profit.

Containerboard

Final quarter

The operating profit for the quarter was MSEK 49, down MSEK 38, or 44%, on the previous quarter mainly due to unfavourable exchange rates including the effects of currency hedging.

Full year 2004

The operating profit was MSEK 171, down 40% on 2003 due to unfavourable exchange rates and somewhat lower average sales prices.

Market pulp

Final quarter

The operating profit for the quarter was MSEK 11, down MSEK 43, or 80%, on the previous quarter. The fall was due to unfavourable exchange rates and lower pulp prices in USD. The prices and exchange rates at the end of 2004 meant that the operating profit for market pulp was approximately zero when the effects of currency hedging are excluded.

Full year 2004

Deliveries declined by 3% compared with 2003 due to internal deliveries being made to the Beetham mill. The operating profit reached MSEK 192, up 10% on 2003 mainly due to higher prices in USD, although unfavourable exchange rates cut into the improvement.

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 2004 amounted to MSEK 3,108. The profit after financial items amounted to MSEK 206. Fixed-asset investments, excluding shares, amounted to MSEK 322. The average number of employees was 1,188. Liquid assets and short-term investments amounted to MSEK 314.

Organisational review

In the autumn of 2004 Billerud began a review of its organisation. As part of a project, working methods and processes will be reviewed, partly in order to gain greater uniformity in the way the company's different units work. Other purposes of the project are to ensure that the company has the right competence and to reduce costs by at least MSEK 250, corresponding to an increase in efficiency of 20 percent.

The design of the future organisation is expected to be completed by April 2005. A decision will then be made as to how and when the new organisation will be introduced. According to current assessments the completion of the project will take around three years.

Introduction of IFRS

From 2005 Billerud will follow the International Financial Reporting Standards/ International Accounting Standards (IFRS/IAS). During the transfer Billerud is affected by IAS 19 Employee Benefits, IAS16 Property Plant and Equipment, IFRS 3 Business Combinations, and IAS 39 Financial Instruments; Recognition and Measurement.

IAS 19 Employee Benefits is being applied by Billerud from 1 January 2004.

To comply with IAS16 T Property Plant and Equipment, Billerud will start using component depreciation. The transfer to this method according to IFRS is not judged to have any material effect on the opening balance on 1 January 2004 and the closing balance on 31 December 2004.

The application of IFRS 3 Business Combinations produces an effect for Billerud from the acquisition of Billerud Beetham in 2004. The net profit for 2004 and shareholders' equity at the end of 2004, in accordance with IFRS, will be affected by MSEK 5.

IAS 39 Financial Instruments; Recognition and Measurement will be applied from 1 January 2005. In accordance with IAS 39 all financial instruments shall be identified and given a market value at the closing date, which means that, for example, currency derivatives, interest rate swaps and electricity derivatives shall be booked on the balance sheet. It is judged that the effects will increase shareholders' equity on 1 January 2005 by MSEK 42, after calculated tax effects.

Buy-back and withdrawal of shares and share distribution

The Annual General Meeting held on 5 May 2004 voted to write down the company's share capital by withdrawing 4,657,000 bought back shares. This write-down was completed in September and the share capital now amounts to SEK 665,662,475. There are 53,252,998 shares worth a nominal SEK 12.50 each.

Since the AGM Billerud has bought back a further 1,910,00 shares at an average price of around SEK 115 per share. This buy-back represents around 3.6% of the total number of shares in the company after the write-down.

In 2004 Billerud bought back a total of 2,785,000 shares worth a total of MSEK 317 and corresponding to an average price of SEK 114 per share.

As of 31 December 2004 the distribution of shares was as follows:

Registered amount of shares	53 252 998
<u>Bought-back shares in company ownership</u>	<u>- 1 910 000</u>
Shares on the market	51 342 998
<u>Convertible debenture loan (on full conversion)</u>	<u>268 047</u>
Shares on the market (after full conversion)	51 611 045

As of 31 December 2004 according to the VPC (the Securities Register Centre) register, the ten largest shareholders in Billerud were as follows (excluding shares owned by the company itself).

Owner/nominee/bank	No. of shares (millions)	Proportion of shares on market, % (shares = votes)
Handelsbanken Funds	1.6	3.0
DWS Investment	1.6	3.0
GMO Funds	1.5	2.9
Mellon Funds	1.5	2.9
JP Morgan Chase	1.3	2.6
SEB Funds/SEB Trygg Liv/SEB Securities	1.1	2.2
AFA Försäkringar	0.9	1.9
Odin Funds	0.7	1.3
Northern Trust	0.7	1.3
Länsförsäkringar Funds	0.6	1.3
Total 10 largest	11.5	22.3
Total no. of shares on the market	51.3	100

Acquisition of Billerud Beetham

Billerud acquired the UK packaging paper company Henry Cooke Ltd on 27 February 2004. The name of the company was changed to Billerud Beetham Ltd and it was consolidated in the Billerud Group from March 2004.

The sum paid for the shares and assumed net liabilities in the company amounted to MSEK 209. Of the assumed capital employed around MSEK 82 was working capital. The cash flow statement includes, in addition to the settlement sum, around MSEK 6 in overheads relating to the acquisition, mainly in the form of stamp tax and fees to advisors, plus MSEK 7 for the conclusion of an agency agreement and other costs associated with the creation of a shared marketing organisation with Billerud.

All deliveries from Beetham are of kraft paper. Beetham buys market pulp from Billerud's other mills. In 2004 (10 months only) Beetham's net effect on Billerud's sales was around MSEK 250 and the net effect on deliveries was around 12,000 tonnes. Deliveries of kraft paper from Beetham amounted to 35,000 tonnes and deliveries of market pulp from Billerud's Swedish mills to Beetham amounted to 23,000 tonnes.

Annual General Meeting, share dividend, etc.

Billerud AB's Annual General Meeting will take place at 4 p.m. on Tuesday 5 May 2005 at Aula Magna at Stockholm University. An announcement will be made in the Swedish press four weeks before the meeting at the latest. The Annual Report will be distributed by early April and will also be available on the company's website from that time.

Billerud's Board proposes a dividend for 2004 of SEK 6.50 per share. The Board will also propose that the meeting authorise a further buy-back of Billerud shares.

It is proposed that the record date for the right to receive the dividend be set to 9 May 2005. It is expected that payment from VPC (the Securities Register Centre) will take place on Thursday 12 May 2004.

Outlook

Deliveries in 2005 are expected to continue at around the same level as 2004.

The price of long fibre sulphate pulp is currently around USD 620 per tonne. The announced increase to USD 660 is expected to come into effect in February. Further increases are then expected up to the mid point of the year. Higher pulp prices will normally effect packaging paper prices upwards. The continued progress of the business cycle is however uncertain.

A heavy storm at the start of January 2005 caused significant damage to forests in southern Sweden. It is hard to assess the impact on Billerud's wood costs. Other costs are expected to remain at around the same level in 2005 as in 2004.

Changes in exchange rates, based on entered forward hedging contracts and with continued stable rates at today's level for the remainder of the year, are expected to have a negative impact on operating profit of MSEK 300 in 2005 compared with 2004.

Stockholm, Sweden
27 January 2004
Billerud AB (publ)

The Board of Directors

Interim reports

First quarter 2005
Second quarter 2005
Third quarter 2005

26 April 2005
26 July 2005
26 October 2005

The AGM will be held on 3 May 2005

Billerud Group

Supplement

Accounting principles

The accounts are prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council, and this report is drawn up in accordance with the Council's recommendation RR20. Concerning recommendation RR25 (Reporting for segments – line of business and geographic area) see comments under Product areas on page 5 of this report. Most of Billerud's pension plans are benefit-related. From 2004 Billerud will implement recommendation RR29 – Remuneration to employees. These rules are based on IAS 19 and the effect of changing principles has been reported directly under shareholders' equity as of 1 January 2004. Adapting to this recommendation is described in the specification of the change in shareholders' equity below. For details of accounting principles and definitions of key figures, see the 2003 Annual Report pages 46-49 and page 57.

Profit and Loss Account	3 months				Full year		
	Oct-Dec 2004	July-Sept 2004	Apr-Jun 2004	Jan-Mar 2004	Oct-Dec 2003	Jan-Dec 2004	Jan-Dec 2003
MSEK							
Net turnover	1 753	1 822	1 764	1 820	1 689	7 159	6 992
Other income	3	2	2	2	2	9	10
Operating income	1 756	1 824	1 766	1 822	1 691	7 168	7 002
Raw materials and consumables	-741	-709	-651	-665	-620	-2 766	-2 439
Change in stock	24	36	-11	-36	43	13	28
Other external expenses	-467	-464	-472	-476	-458	-1 879	-1 869
Staff expenses	-352	-312	-367	-319	-305	-1 350	-1 224
Depreciation	-89	-106	-104	-101	-96	-400	-380
Operating expenses	-1 625	-1 555	-1 605	-1 597	-1 436	-6 382	-5 884
Operating profit	131	269	161	225	255	786	1 118
Financial items	-15	-18	-21	-20	-17	-74	-76
Profit after financial items	116	251	140	205	238	712	1 042
Tax	-31	-70	-39	-58	-66	-198	-294
Net profit for the period	85	181	101	147	172	514	748
<i>Earnings per share, SEK</i>	1.65	3.46	1.91	2.73	3.10	9.75	13.13
<i>Earnings per share after full conversion, SEK</i>	1.64	3.44	1.90	2.72	3.09	9.72	13.09
Balance Sheet		31 Dec	30 Sept	30 Jun	31 Mar	31 Dec	
MSEK		2004	2004	2004	2004	2003	
Fixed assets		4 710	4 585	4 567	4 520	4 364	
Stocks		749	703	710	704	690	
Accounts receivable		1 128	1 244	1 197	1 226	1 083	
Other current assets		170	198	183	155	154	
Cash, bank balances and short-term investments		378	588	543	679	353	
Total assets		7 135	7 318	7 200	7 284	6 644	
Shareholders' equity		3 042	3 047	2 928	3 245	3 204	
Interest-bearing provisions		148	124	121	123	108	
Non-interest-bearing provisions		1 187	1 150	1 006	1 017	973	
Interest-bearing liabilities		1 720	1 898	2 006	1 867	1 470	
Accounts payable		487	528	495	414	383	
Other, non-interest-bearing liabilities		551	571	644	618	506	
Total shareholders' equity, provisions and liabilities		7 135	7 318	7 200	7 284	6 644	
Specification of change in equity		Jan-Dec	Jan-Sept	Jan-Jun	Jan-Mar	Full year	
MSEK		2004	2004	2004	2004	2003	
Opening equity		3 204	3 204	3 204	3 204	3 233	
Adapting to recommendation RR 29 of the Swedish Financial Accounting Standards Council		-10	-10	-10	-10	-	
Adjusted opening equity		3 194	3 194	3 194	3 194	3 233	
Net profit for the period		514	429	248	147	748	
Dividend		-346	-346	-346	-	-376	
Share buy-back		-317	-229	-168	-96	-401	
Exchange rate differences in equity		-3	-1	-	-	-	
Closing equity		3 042	3 047	2 928	3 245	3 204	

Cash Flow Statement	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
MSEK	2004	2003	2004	2003
Operating surplus, etc 1)	225	349	1 191	1 494
Change in working capital, etc.	26	57	94	79
Net financial items, taxes, etc.	9	-4	-66	-201
Cash flow from operating activities	260	402	1 219	1 372
Investment in fixed assets	-206	-76	-568	-381
Acquisition of Henry Cooke Ltd	-	-	-222	-
Disposal of fixed assets	1	-	4	1
Cash flow from investment activities	-205	-76	-786	-380
Change in interest-bearing debt	-175	-256	258	-458
Dividend	-	-	-346	-376
Share buy-back	-88	-260	-317	-401
Cash flow from financing activities	-263	-516	-405	-1 235
Total cash flow (= change in liquid assets)	-208	-190	28	-243
Liquid assets at the beginning of the year	588	543	353	596
Exchange rate differences in liquid assets	-2	-	-3	-
Liquid assets at the end of the period	378	353	378	353

1) The amount for January-December 2004 includes an operating profit of MSEK 786, returned depreciation of MSEK 400 and other items of MSEK 5.

Key figures	Jan-Dec	Jan-Sept	Jan-Jun	Jan-Mar	Jan-Dec
	2004	2004	2004	2004	2003
Margins					
Gross margin, %	17	18	16	18	21
Operating margin, %	11	12	11	12	16
<i>Return (rolling 12 months)</i>					
Return on capital employed, %	17	20	20	23	24
Return on equity, %	17	19	19	21	23
Return on equity after full conversion, %	17	19	19	21	23
Capital structure at end of period					
Capital employed, MSEK	4 511	4 477	4 506	4 551	4 424
Shareholders' equity, MSEK	3 042	3 047	2 928	3 245	3 204
Interest-bearing net debt, MSEK	1 469	1 430	1 579	1 306	1 220
Net debt/equity ratio, times	0,48	0,47	0,54	0,40	0,38
Net debt/equity ratio after full conversion, times	0,47	0,46	0,52	0,39	0,37
Equity ratio, %	43	42	41	45	48
Equity ratio after full conversion, %	43	42	41	45	49
<i>Per share</i>					
Earnings per share, SEK	9.75	8.09	4.64	2.73	13.13
Average no. of shares, '000	52 735	53 064	53 393	53 800	56 990
Earnings per share after full conversion, SEK	9.72	8.06	4.63	2.72	13.09
Average no. of shares, '000	53 004	53 332	53 661	54 068	57 258
<i>Per share at end of period</i>					
Equity per share, SEK	59.24	58.46	55.61	60.93	58.19
No. of shares, '000	51 343	52 120	52 650	53 253	54 128
Equity per share after full conversion, SEK	59.50	58.72	55.87	61.16	59.42
No. of shares, '000	51 611	52 388	52 918	53 521	54 396
Gross investments, MSEK	568	362	232	79	381
Acquisition of Henry Cooke Ltd	222	222	222	222	-
Average number of employees	2 623	2 628	2 558	2 463	2 451

Product areas

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

MSEK	2004					2003				
	Full year	IV	III	II	I	Full year	IV	III	II	I
Kraft paper	3 613	878	904	929	902	3 474	788	868	873	945
Containerboard	2 131	568	573	470	520	2 067	519	486	521	541
Market pulp	1 415	307	345	365	398	1 454	383	376	337	358
Other and eliminations	-	-	-	-	-	-3	-1	-2	-	-
Total Group	7 159	1 753	1 822	1 764	1 820	6 992	1 689	1 728	1 731	1 844

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

MSEK	2004					2003				
	Full year	IV	III	II	I	Full year	IV	III	II	I
Kraft paper	490	96	150	106	138	718	150	197	169	202
Containerboard	171	49	87	1	34	287	56	58	91	82
Market pulp	192	11	54	64	63	175	63	51	38	23
Other and eliminations	-67	-25	-22	-10	-10	-62	-14	-24	-14	-10
Total Group	786	131	269	161	225	1 118	255	282	284	297

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

%	2004					2003				
	Full year	IV	III	II	I	Full year	IV	III	II	I
Kraft paper	14	11	17	11	15	21	19	23	19	21
Containerboard	8	9	15	0	7	14	11	12	18	15
Market pulp	14	4	16	18	16	12	16	14	11	6
The Group	11	8	15	9	12	16	15	16	16	16

Quarterly delivery volumes per product area

'000 tonnes	2004					2003				
	Full year	IV	III	II	I	Full year	IV	III	II	I
Kraft paper	528	131	129	132	136	476	113	122	115	126
Containerboard	531	143	137	117	134	489	128	115	121	125
Market pulp	312	78	73	74	87	323	86	85	69	83
Total	1 371	352	339	323	357	1 288	327	322	305	334