



BILLERUDKORSNÄS

YEAR-END REPORT JANUARY-DECEMBER 2014



SEKm	Q4 2014	Q3 2014	Δ, %	Q4 2013	Δ, %	Jan-Dec 2014	Jan-Dec 2013	Δ, %
Net sales	5 124	5 191	-1%	4 755	8%	20 853	19 689	6%
EBITDA	809	792	2%	549	47%	3 279	2 576	27%
Adjusted operating profit	460	518	-11%	232	98%	2 000	1 331	50%
Adjusted operating margin	9%	10%	-1	5%	4	10%	7%	3
Operating profit/loss	460	450	2%	203	127%	1 901	1 137	67%
Net profit/loss for the period	329	311	6%	103	219%	1 301	686	90%
Earnings per share, SEK	1.56	1.48	5%	0.48	225%	6.18	3.24	91%
Operating cash flow	427	494	-14%	148	189%	1 739	529	229%

Fourth quarter 2014

- Net sales increased with 8% and operating profit doubled compared to the fourth quarter 2013 due to synergy realisation and more favourable currency exchange rates.
- Compared to the previous quarter net sales decreased 1% due to seasonally lower demand. Operating profit increased 2% primarily due to improved exchange rates.
- Operating profit was negatively impacted with approximately SEK 135 million by periodic maintenance shutdowns in the production unit in Gävle.
- Operating cash flow improved from SEK 148 million to SEK 427 million compared to the same period previous year.

Full year 2014 compared with the same period in 2013

- Net sales has increased 6% due to volume growth and more favourable currency exchange rates.
- The adjusted operating profit reached SEK 2 000 million primarily due to synergies and a weakened SEK.
- Volumes for the year reached an all-time-high of approximately 2 700 ktonnes.
- Synergies of approximately SEK 250 million have impacted the year compared to previous year.
- Net debt/equity ratio has declined from 0.85 to 0.67.
- Working capital level has been lowered with SEK 462 million, partly due to focused efforts in the working capital program.

Proposed dividend

- The Board of Directors proposes a dividend of SEK 3.15 per share for 2014.

Outlook

- Demand and order situation for the first quarter 2015 is expected to seasonally improve compared to the fourth quarter 2014.
- Average prices in local currency are in general anticipated to be stable. Within Packaging Paper we see price and volume uncertainties in selected kraft paper segments. Prices and volumes for white liner continue to remain under pressure.
- Wood prices are expected to stay on current level for the first quarter of 2015.
- Capital expenditure is estimated to be approximately SEK 1 700 million in 2015.

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 3 February 2015.

SEK 5 124m

Net sales

SEK 460m

Operating profit

9%

Operating margin



SEK 5 124m

Net sales Q4 2014

9%

Operating margin
Q4 2014



Per Lindberg
President and CEO, BillerudKorsnäs

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

1% decrease in net sales compared to previous quarter due to seasonally lower demand.

COMMENTS BY CEO PER LINDBERG

STABLE FOURTH QUARTER ENDS A STRONG 2014

“We end the year with another stable quarter. The operating profit level of SEK 460 million is good considering the short delivery month of December and some unexpected hick-ups in the production, of course helped by the weakened SEK. During 2014 we reached all time high volumes, in line with our growth plans. We are starting to see that our efforts to reduce working capital are paying off and we have a working capital level that has decreased substantially in spite of increased net sales. Our net debt/equity ratio is down to 0.67.

The overall market for our business has been stable but as expected a bit slow. We did not run full capacity for Packaging Paper due to seasonally lower demand during the fourth quarter. Containerboard market remained under pressure on the liner side due to the increased capacity on the market. The Consumer Board market was stable.

During the quarter we have announced investments in the production unit in Skärblacka that support Packaging Paper in their selective growth strategy. The investment of SEK 260 million will increase quality and volume of brown sack paper where we see good growth potentials.

Finally to sum up the year, we have delivered what we have promised. We reached our synergy targets ahead of plan. We are on track to reach our growth targets. We have developed a strong and stable platform for the future and I believe we have proven the brilliance in merging the two companies.”

MARKET

BillerudKorsnäs offers the global packaging market innovative and sustainable products and services. The Group has a leading position in primary fibre-based packaging paper and board. The packaging market shows further positive long-term development primarily due to increased globalisation, urbanisation, greater prosperity and changes in consumption patterns. In addition to packaging materials, BillerudKorsnäs sells the surplus of long-fibre pulp that is not used in its own production, Northern Bleached Softwood Kraft (NBSK).

The order situation was stable for business areas Consumer Board and Containerboard. Packaging Paper experienced a seasonally slower demand situation during the fourth quarter. Prices in local currency for the packaging materials segments were unchanged compared to the previous quarter.

SALES AND RESULTS

FOURTH QUARTER 2014 COMPARED TO THIRD QUARTER

Net sales amounted to SEK 5 124 million, a 1% decrease compared to previous quarter due to seasonally lower demand.

Operating profit reached SEK 460 million, compared with SEK 450 million during previous quarter. The operating margin was 9% (10%). Net financial items amounted to SEK -49 million. Profit before tax was SEK 411 million and estimated tax was SEK -82 million. Net profit reached SEK 329 million.



CHANGE IN ADJUSTED OPERATING PROFIT COMPARED TO PREVIOUS QUARTER

SEKm	
Adjusted operating profit Q3 -14	518
Sales and production volumes, incl. product mix	5
Selling prices (in respective sales currency)	-10
Change in variable costs	-39
Change in fixed costs	11
Change in depreciation	-7
Effects of exchange rate fluctuations, incl. hedging*	50
Reversal of change in non-recurring items	-68
Adjusted operating profit Q4 -14	460

* Effects of exchange rate fluctuations totalling SEK 50 million comprise the following components: change in spot rates SEK 54 million, currency hedging SEK -43 million and currency effects from revaluation of trade receivables and payments from customers SEK 39 million.

The improved operating profit is mainly explained by improved currency exchange rates. The negative change in variable costs is due to higher price on purchased pulp and somewhat seasonally higher costs for electricity. The negative change in selling prices in local prices is related to mix. The positive change in fixed costs is related to lower maintenance costs which compensated for the seasonally higher personnel costs.

FOURTH QUARTER 2014 COMPARED WITH FOURTH QUARTER IN 2013

Compared to the fourth quarter previous year, net sales increased with 8%. The improvement is due to volume growth and more favourable exchange rates. Adjusted operating profit increased from SEK 232 million to SEK 460 million. The increase is attributable to synergies and more favourable exchange rates.

FULL YEAR 2014 COMPARED WITH THE SAME PERIOD IN 2013

Net sales increased with 6% to SEK 20 853 million. Adjusted operating profit increased with 50% to SEK 2 000 million.

CHANGE IN ADJUSTED OPERATING PROFIT COMPARED TO THE SAME PERIOD IN THE PREVIOUS YEAR

SEKm	
Adjusted operating profit Jan - Dec -13	1331¹
Sales and production volumes, incl. product mix	184
Selling prices (in respective sales currency)	-22
Change in variable costs	52
Change in fixed costs	-49
Change in depreciation	73
Effects of exchange rate fluctuations, incl. hedging*	526
Reversal of change in non-recurring items	-95
Adjusted operating profit Jan - Dec -14	2 000

* Effects of exchange rate fluctuations totalling SEK 526 million comprise the following components: change in spot rates SEK 631 million, currency hedging SEK -264 million and currency effects from revaluation of trade receivables and payments from customers SEK 159 million.

Adjusted operating profit has improved with SEK 669 million due to volume growth, synergies and more favourable exchanges rates. The aggregate effects from synergies are included in the line items in the table above. They are not shown explicitly nor presented in the business areas.

Lower variable costs are due to lower energy and electricity costs but also driven by synergy realisation within purchasing and logistics. Higher fixed costs are related to higher maintenance costs as the production unit in Gruvön had a shorter maintenance shutdown during the previous year.

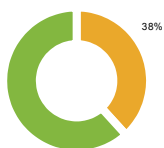
The lower depreciation level is due to the fact that many machines were fully written off during the period, and that some of the costs for maintenance shutdowns previously were capitalised and depreciated until the next planned maintenance shutdown. As of 1 January 2013 all costs associated with maintenance shutdowns are expensed.

¹ Revised amounts taking into account changed accounting principles. From 2014 Bomhus Energi AB is reported as a joint operation in accordance with IFRS 11 and where BillerudKorsnäs recognises its share of Bomhus Energi AB's revenue, expenses, assets and liabilities.

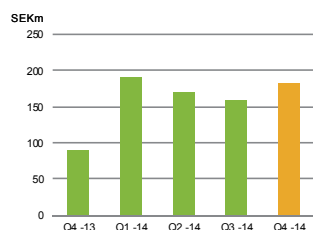
The increase in profit level is attributable to more favourable currency exchange rates.

Net sales and profit growth between the years increased due to volume increase, synergy realisation and improved exchange rates

SHARE OF GROUP'S NET SALES Q4 2014



OPERATING PROFIT



PACKAGING PAPER BUSINESS AREA

Packaging Paper offers premium-quality kraft and sack paper, as well as functional solutions for many applications, including packaging for food, industrial purposes, medical applications and carrier bags, for customers with demanding requirements. The business area also sells any surplus of pulp that BillerudKorsnäs does not use in its own production.¹ The business area's largest markets are Europe and Asia.

SEKm	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Net sales	1 959	2 058	1 758	8 101	7 279
Net operating expenses, other	-1 656	-1 781	-1 558	-6 928	-6 527
EBITDA	303	277	200	1 173	752
Depreciation and impairment	-120	-119	-109	-472	-468
Operating profit/loss	183	158	91	701	284
Operating margin, %	9%	8%	5%	9%	4%
Sales volumes, ktonnes	275	288	263	1 167	1 080
whereof packaging paper	173	196	170	776	750

FOURTH QUARTER

Net sales decreased with SEK 99 million compared to the previous quarter, to SEK 1 959 million. The decrease was mainly attributable to product mix, year-end destocking effect and seasonality.

Operating profit reached SEK 183 million, an increase of SEK 26 million compared to the previous quarter. The increase was mainly due to favourable exchange rates, but also due to periodic maintenance shutdowns in Skärblacka and Karlsborg during the third quarter. The capacity on the machines were not fully utilized.

Compared to the fourth quarter in 2013, operating profit increased with SEK 92 million. The increase was mainly attributable to product mix, favourable exchange rates and higher pulp prices.

FULL YEAR

Operating profit increased with SEK 417 million compared to the previous year. The increase was mainly attributable to higher volumes in Skärblacka due to extensive rebuild in 2013, higher pulp prices and a favourable exchange rate.

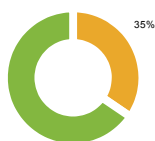
MARKET DEVELOPMENT

The order situation for the product groups was normal. Prices in local currency were on the same level as previous quarter.

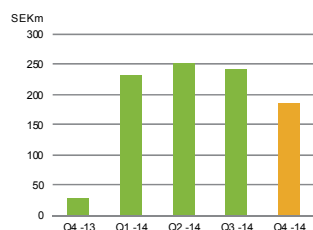
The market for NBSK pulp was stable during the quarter. Prices in Europe were approximately USD 930 per tonne at the end of the quarter, the same level as in the beginning of the quarter.

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

SHARE OF GROUP'S NET SALES Q4 2014



OPERATING PROFIT



CONSUMER BOARD BUSINESS AREA

Consumer Board develops and markets high-quality board for packaging for beverages, yoghurts, refrigerated and frozen food and other consumer products. Smart solutions in function, design and material selection add further value for the customer. Europe is the largest market.

SEKm	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Net sales	1 768	1 897	1 659	7 436	6 964
Net operating expenses, other	-1 414	-1 488	-1 452	-5 852	-5 709
EBITDA	354	409	207	1 584	1 255
Depreciation and impairment	-168	-166	-178	-669	-698
Operating profit/loss	186	243	29	915	557
Operating margin, %	11%	13%	2%	12%	8%
Sales volumes, ktonnes	235	252	231	1 004	959

FOURTH QUARTER

Net sales reached SEK 1 768 million in the fourth quarter, SEK 129 million lower than the previous quarter. This is mainly due to normal seasonal variances.

Operating profit amounted to SEK 186 million which was SEK 57 million lower than the previous quarter. The decrease is mainly attributable to the periodic maintenance shutdown in Gävle, lower net sales and seasonally lower personnel costs in the third quarter.

Compared to the fourth quarter 2013, net sales grew with 7%, mainly due to higher sales volumes, higher prices in local currency and a weaker SEK. Operating profit was SEK 157 million higher 2014 compared to 2013. This was mainly due to a weak fourth quarter 2013 due to customer destocking.

FULL YEAR

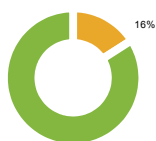
Net sales reached SEK 7 436 million, SEK 472 million higher than the previous year. This is mainly due to increased sales volume, higher prices in local currency and more favourable currency exchange rates.

Compared with 2013, operating profit improved with SEK 358 million. This is primarily due to a volume increase, a price increase in local currency and more favourable currency exchange rates. 2013 was also affected by a reduction of surplus value in the inventory of finished products acquired amounting to SEK 48 million.

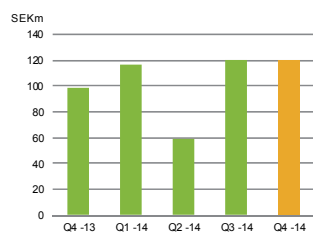
MARKET DEVELOPMENT

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

SHARE OF GROUP'S NET SALES Q4 2014



OPERATING PROFIT



CONTAINERBOARD BUSINESS AREA

Containerboard offers corrugated board raw material that provides light but strong packaging for demanding transportation uses and primary packaging. An important part of the offering is consultation for packaging optimisation and efficient logistical flows. The business area includes Paccess, which strengthens BillerudKorsnäs' position to bring smarter packaging solutions to brand owners, and is a further step in challenging conventional packaging. Europe is the largest market.

SEK m	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Net sales	816	773	763	3 148	3 073
Net operating expenses, other	-654	-612	-620	-2 560	-2 560
EBITDA	162	161	143	588	513
Depreciation and impairment	-42	-41	-45	-172	-195
Operating profit/loss	120	120	98	416	318
Operating margin, %	15%	16%	13%	13%	10%
Sales volumes, ktonnes	134	127	126	528	552

FOURTH QUARTER

Net sales amounted to SEK 816 million, an increase with 6% compared with previous quarter. The increase in net sales was mainly due to higher sales volume and improved currency exchange rates.

Operating profit reached SEK 120 million, which is in line with previous quarter. Positive effects from currency exchange rates were offset by higher production costs. The fourth quarter was impacted by the maintenance shutdown at Gävle. The financial impact on the business area from the maintenance shutdown was only slightly higher compared with the corresponding stop during the third quarter at Skärblacka.

Net sales and operating profit increased compared to the corresponding period last year, mainly as a consequence of more favourable currency exchange rates. Lower price in local currency for liner had a negative impact on the earnings compared with the fourth quarter last year.

FULL YEAR

Operating profit in 2014 increased with 31%, SEK 98 million, compared to previous year. Lower production costs in combination with more favourable currency exchange rates were partly offset by lower sales volume.

MARKET DEVELOPMENT

Order books remained stable during the quarter. The market position and order intake for fluting remained on a high level. Prices and order book for liner was on a lower but stable level during Q4 compared with previous year. This is due to increased production capacity on the market. Prices and volumes for liner continue to remain under pressure.



SEK -117 million earnings impact for the quarter.

CURRENCY HEDGING

During 2014, net flows were hedged at EUR/SEK 8.93 (8.68), USD/SEK 6.63 (6.65) and GBP/SEK 10.66 (10.32). Currency hedging had an overall earnings impact of SEK -117 million (-33) for the fourth quarter and SEK -253 million (12) for 2014 (compared to no hedging).

The outstanding forward exchange contracts at 31 December 2014 had a market value of SEK -174 million, whereof SEK -65 million is the part of the contracts matched by trade receivables that has affected earnings in the fourth quarter. Other contracts had a market value of SEK -109 million.

HEDGED PORTION OF CURRENCY FLOWS FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (31 DECEMBER 2014)

Currency		Q1 -15	Q2 -15	Q3 -15	Q4 -15	Q1 -16	Total 15 months
EUR	Share of net flow	87%	78%	79%	77%	0%	64%
	Rate	9.15	9.29	9.41	9.49		9.33
USD	Share of net flow	83%	57%	32%	12%	0%	37%
	Rate	6.91	6.99	7.21	7.40		7.02
GBP	Share of net flow	82%	55%	31%	11%	0%	36%
	Rate	11.25	11.45	11.63	11.67		11.40
Market value of currency contracts*		-90	-53	-24	-7		-174

*On 31 Dec 2014.

In December, BillerudKorsnäs changed the policy regarding currency hedging. The policy is now to hedge 0-80% of net flows over the coming 15 months. Any deviation from the policy must be approved by the Board.

80% of the forecasted EUR net flows in 2015 are hedged at average rate 9,33.

SEK 480 million in gross investments for the quarter.

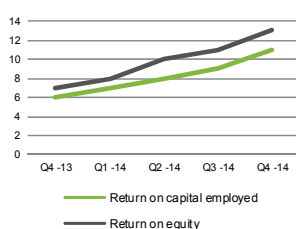
INVESTMENTS AND CAPITAL EMPLOYED

Gross investments amounted to SEK 480 million (360) for the fourth quarter and SEK 1 384 million (1 337) for the full year 2014. In line with the group's strategy for growth, investments for 2015 will amount to approximately SEK 1 700 million.

The Board of Directors approved a SEK 260 million investment for sack paper machine 9 at the Skärblacka production unit. The investment will further add to the quality leadership of the BillerudKorsnäs sack paper range and will also increase the capacity of the machine by 20 000 tonnes per year up to 180 000 tonnes per year. The investment is a part of the selective growth strategy for business area Packaging Paper.

Capital employed at 31 December 2014 amounted to SEK 17 828 million (18 306). Return on capital employed, calculated over the past 12-month period, amounted to 11% (6%). Return on equity after tax was 13% (7%).

RETURN, % (ROLLING 12 MONTHS)



CASH FLOW AND FINANCIAL POSITION

SUMMARY CASH FLOW STATEMENT

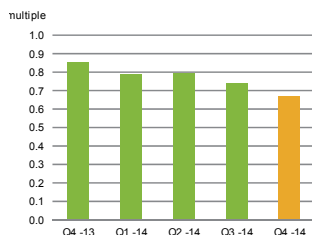
SEKm	Quarter		Jan-Dec	
	Q4 -14	Q4 -13	2014	2013
Operating surplus, etc.	857	526	3 248	2 656
Change in working capital, etc.	-33	-64	236	-452
Net financial items, taxes, etc.	75	45	-369	-425
Cash flow from operating activities	899	507	3 115	1 779
Current net investments	-472	-359	-1 376	-1 250
Operating cash flow	427	148	1 739	529



Operating cash flow in 2014 amounted to SEK 1 739 million (529). The increase was mainly due to improved operating profit and reduced working capital.

Net interest-bearing debt on 31 December 2014 was SEK 7 124 million (8 389). The Group's net debt/equity ratio at the end of the period was 0.67 (0.85). This is a decrease from the third quarter with 0.06 due to positive cash flow during the fourth quarter. BillerudKorsnäs' financial target for net debt/equity ratio is to be less than 0.90.

DEBT/EQUITY RATIO
AT THE END OF THE QUARTER



FINANCING

Interest-bearing loans amounted to SEK 7 089 million. Long-term interest-bearing liabilities amount to SEK 4 672 million and consist of utilisation of revolving credit facility of SEK 128 million, bond loans of SEK 2 350 million, SEK 1 600 million in term loans and other long-term liabilities amounting to SEK 594 million. Short-term liabilities amount to SEK 2 417 million and consist of commercial paper program of SEK 1 481 million, SEK 800 million in term loan and SEK 136 million in other short-term liabilities.

During the fourth quarter the group issued a new bond within the MTN program. The new bond is a two year bond of SEK 200 million. The debt portfolio and the maturity profile is shown in the table below.

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

INTEREST-BEARING LOANS

Loan	Limit, SEKm	Maturity, years			Total utilized
		0-1	1-2	2-	
Syndicated credit facilities	5 652	95		128	223
Term loans		800		1 600	2 400
Bond loans within MTN program	5 000		400	1 800	2 200
Other bond loans			150		150
Commercial paper	3 000	1 481			1 481
Term loan, Bomhus Energi AB		35	36	525	596
Other interest-bearing liabilities		6		33	39
Group total		2 417	586	4 086	7 089

TAXES

The tax cost 2014 amounted to SEK 352 million, equal to approximately 21% of profit before tax.

The tax cost for 2013 amounted to SEK 142 million, equal to approximately 17% of profit before tax. The low tax cost 2013 was mainly explained by additional effects of the decrease in corporate tax rate in Sweden from 2013-01-01 from 26.3% to 22% and the release of a tax provision that will not be realised.

PARENT COMPANY

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

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

Net sales for 2014 amounted to SEK 3 789 million (3 816). Operating profit excluding the above mentioned capital loss reached SEK 238 million, which was an increase with SEK 33 million from the same period in 2013.

The parent company hedges both its' own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. This result amounted to SEK -253 million (12).

Investments in property, plant and equipment and intangible assets excluding shares 2014 amounted to SEK 296 million (136). The average number of employees was 914 (948). Cash and bank balances and short-term investments amounted to SEK 2 170 million (292).

SEASONAL EFFECTS

BillerudKorsnäs' business is to a relatively limited extent subject to seasonal fluctuations. The greatest impact is from periodic maintenance shutdowns, during which the unit concerned is idle for approximately a week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown.



MAINTENANCE SHUTDOWNS

In addition to on-going maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. In order to carry out maintenance, production of pulp, paper and board is stopped – known as a maintenance shutdown. The cost of a maintenance shutdown mainly comprises the loss of volume related to the shutdown and fixed costs, mainly in the form of costs of maintenance and overtime work, as well as - to some extent - variable costs such as higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown is an assessment of the impact on earnings of a normal shutdown, compared to a quarter during which no periodic maintenance shutdown takes place.

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

During the fourth quarter 2014 there was a planned maintenance shutdown at the production unit in Gävle. The impact on the quarterly earnings was approximately SEK 135 million.

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



BillerudKorsnäs is listed on NASDAQ OMX Stockholm.

LARGEST SHAREHOLDERS

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (30 DECEMBER 2014)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	20 116 243	9.7
Swedbank Robur Funds	10 905 147	5.2
Nordea Funds	10 265 102	4.9
Lannebo Funds	7 916 651	3.8
Fourth Swedish National Pension Fund	7 421 895	3.6
Alecta	5 410 000	2.6
SHB Funds	5 342 334	2.5
Norges Bank Investment Management	5 166 488	2.5
DFA Funds (USA)	4 362 598	2.2
Total 10 largest shareholders	108 206 458	52.1
Total number of shares in the market	206 788 161	100.0

Source: SIS Ägarservice AB. Excludes BillerudKorsnäs' approximately 1.4 million bought-back shares and foreign custodian banks.

The total number of shareholders (including nominee-registered) was 98 533. The proportion of foreign ownership was 34.8% of the number of shares in the market. More information about shareholder structure is available at www.billerudkorsnas.com/investor-relations.

DISTRIBUTION OF SHARES

DISTRIBUTION OF SHARES (30 DECEMBER 2014)

Registered number of shares	208 219 834
Bought back shares	-1 431 673
Total number of shares in the market	206 788 161

SIGNIFICANT RISKS AND UNCERTAINTIES

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses are in SEK. A more in-depth description of risks and a sensitivity analysis is provided on pages 21-26 of the 2013 Annual Report.

RELATED PARTY TRANSACTIONS

No transactions have taken place between BillerudKorsnäs and related parties that significantly affect the company's position and earnings.

Solna, 2 February 2015
BillerudKorsnäs AB (publ)
Board of Directors



FINANCIAL CALENDAR

Interim report January-March 2015	21 April 2015
Interim report January-June 2015	20 July 2015
Interim report January-September 2015	21 October 2015

Annual Report for 2014 will be published April 2015

The 2015 Annual General Meeting will be held on 5 May 2015.

ACCOUNTING PRINCIPLES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Beginning in 2014, ownership in Bomhus Energi AB is reported as a joint operation in accordance with IFRS 11 and where BillerudKorsnäs recognises its share of Bomhus Energi AB's revenues, expenses, assets and liabilities. Numbers and key figures for 2013 have been recalculated, see Appendix. The accounting principles otherwise applied in this interim report are the same as those used in the most recent annual report for 2013, see pages 27-36 and page 67 for definitions of key indicators. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act. Key figure definitions are provided on page 20 of this report.

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.



BILLERUDKORSNÄS GROUP
INCOME STATEMENT

SEKm	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Net sales	5 124	5 191	4 755	20 853	19 689
Other income	41	30	31	118	130
Operating income	5 165	5 221	4 786	20 971	19 819
Change in inventories	192	-102	79	63	-43
Raw materials and consumables	-2 693	-2 484	-2 529	-10 490	-10 236
Other external costs	-1 085	-1 117	-1 048	-4 245	-4 006
Employee benefits expense	-769	-726	-739	-3 020	-2 958
Depreciation and impairment of non-current assets	-349	-342	-346	-1 378	-1 439
Profit/Loss from participations in associated companies	-1	-	0	0	-
Operating expenses	-4 705	-4 771	-4 583	-19 070	-18 682
Operating profit/loss	460	450	203	1 901	1 137
Financial income and expenses	-49	-57	-76	-248	-309
Profit/Loss before tax	411	393	127	1 653	828
Taxes	-82	-82	-24	-352	-142
Net profit/loss for the period	329	311	103	1 301	686
Profit/Loss attributable to:					
Owners of the parent company	322	306	100	1 277	671
Non-controlling interests	7	5	3	24	15
Net profit/loss for the period	329	311	103	1 301	686
Earnings per share, SEK	1.56	1.48	0.48	6.18	3.24
Diluted earnings per share, SEK	1.55	1.48	0.48	6.16	3.24

STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Net profit/loss for the period	329	311	103	1 301	686
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains or losses on defined benefit pension plans	2	-69	-11	-67	89
Tax attributable to items not to be reclassified to profit or loss	-	15	2	15	-20
Total items never reclassified to profit or loss	2	-54	-9	-52	69
Items that have been or may be reclassified subsequently to profit or loss					
Differences arising from the translation of foreign operations' accounts	75	4	54	136	67
Change in fair value of shareholding in Bergvik Skog	15	-3	12	22	44
Change in fair value of cash flow hedges	-86	-3	-24	-204	-23
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	19	1	5	45	5
Total items that have been or may be reclassified subsequently to profit or loss	23	-1	47	-1	93
Total comprehensive income for the period	354	256	141	1 248	848
Attributable to:					
Owners of the parent company	345	251	136	1 220	831
Non-controlling interests	9	5	5	28	17
Total comprehensive income for the period	354	256	141	1 248	848



STATEMENT OF CHANGES IN EQUITY

SEKm	Full year	
	2014	2013
Opening balance	9 917	9 435
Comprehensive income for the period	1 248	848
Rights issue	-	42
Share-based payment to be settled in equity instruments	4	5
Dividends paid	-465	-413
Closing balance	10 704	9 917
Equity attributable to:		
Owners of the parent company	10 615	9 856
Non-controlling interests	89	61
Closing balance	10 704	9 917

BALANCE SHEET

SEKm	31 Dec	30 Sep	31 Dec
	2014	2014	2013
Intangible assets	2 580	2 596	2 658
Property, plant and equipment	14 873	14 687	14 714
Other non-current assets	848	820	798
Inventories	3 145	2 929	3 029
Accounts receivable	2 601	2 604	2 400
Other current assets	925	905	844
Cash and cash equivalents	737	341	497
Total assets	25 709	24 882	24 940
Equity attributable to owners of the parent company	10 615	10 269	9 856
Non-controlling interests	89	80	61
Total equity	10 704	10 349	9 917
Interest-bearing liabilities	4 672	4 566	5 197
Provisions for pensions	772	792	732
Other provisions	67	41	42
Deferred tax liabilities	2 986	2 655	2 691
Total non-current liabilities	8 497	8 054	8 662
Interest-bearing liabilities	2 417	2 572	2 958
Accounts payables	2 514	2 363	1 745
Other liabilities and provisions	1 577	1 544	1 658
Total current liabilities	6 508	6 479	6 361
Total equity and liabilities	25 709	24 882	24 940



STATEMENT OF CASH FLOW

SEKm	Quarter			Full year	
	Q4 -14	Q3 -14	Q4 -13	2014	2013
Operating surplus, etc. *	857	777	526	3 248	2 656
Change in working capital, etc.	-33	167	-64	236	-452
Net financial items, taxes, etc.	75	-129	45	-369	-425
Cash flow from operating activities	899	815	507	3 115	1 779
Investments in property, plant and equipment	-480	-321	-360	-1 382	-1 334
Acquisition of financial assets	-	-	-	-2	-3
Disposal of financial assets	-	-	-	-	-
Business combinations	-	-	-	-	9
Disposal of property, plant and equipment	8	-	1	8	87
Cash flow from investing activities	-472	-321	-359	-1 376	-1 241
Change in interest-bearing receivables	-3	-	1	-3	1
Change in interest-bearing liabilities	-55	-350	-199	-1 082	-466
Dividend	-	-	-	-465	-413
Rights issue	-	-	-	-	42
Cash flow from financing activities	-58	-350	-198	-1 550	-836
Total cash flow (=change in cash and cash equivalents)	369	144	-50	189	-298
Cash and cash equivalents at start of period	341	193	531	497	774
Translation differences in cash and cash equivalents	27	4	16	51	21
Cash and cash equivalents at the end of the period	737	341	497	737	497

*The amount for the period January - December 2014 takes into account operating profit of SEK 1 901 million, reversed depreciation SEK 1 378 million, decrease in pension liabilities SEK -37 million, other provisions SEK -41 million, net of produced and sold electricity certificates and sold emission rights SEK 43 million and incentive programmes SEK 4 million. The amount for the period January - December 2013 takes into account operating profit of SEK 1 137 million, reversed depreciation SEK 1 439 million, decrease in pension liabilities SEK -35 million, other provisions SEK 25 million, capital result SEK 4 million, expensed indirect acquisition costs SEK 2 million, net of produced and sold electricity certificates and sold emission rights SEK 79 million and incentive programmes SEK 5 million.

NOTE FINANCIAL ASSETS AND LIABILITIES

Group 31 December 2014	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Other shares and participations	-	-	806	-	806	806
Long-term receivables	-	9	-	-	9	9
Accounts receivable	-	2 601	-	-	2 601	2 601
Other receivables	-	407	-	-	407	407
Cash and cash equivalents ¹	-	737	-	-	737	737
Total	-	3 754	806	-	4 560	4 560
Non-current interest-bearing liabilities	-	-	-	4 672	4 672	4 735
Current interest-bearing liabilities	-	-	-	2 417	2 417	2 417
Accounts payable	-	-	-	2 513	2 513	2 513
Other liabilities	218	-	-	242	460	460
Total	218	-	-	9 844	10 062	10 125

Group 31 December 2013	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	-	-	781	-	781	781
Long-term receivables	-	92	-	-	92	92
Accounts receivable	-	2 400	-	-	2 400	2 400
Other receivables	27	323	-	-	350	350
Cash and cash equivalents ¹	-	497	-	-	497	497
Total	27	3 312	781	-	4 120	4 120
Non-current interest-bearing liabilities	-	-	-	5 197	5 197	5 166
Current interest-bearing liabilities	-	-	-	2 958	2 958	2 958
Accounts payable	-	-	-	1 745	1 745	1 745
Other liabilities	41	-	-	138	179	179
Total	41	-	-	10 038	10 079	10 048

1 Investments in securities etc. are classified as "Cash and cash equivalents" when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value. The assessment is that the total carrying amount and fair value is consistent and there is no offset.



KEY FIGURES

	Full year	
	2014	2013
Margins		
Gross margin, %	16	13
Operating margin, %	9	6
Return (rolling 12 months)		
Return on capital employed, %	11	6
Return on total capital, %	8	5
Return on equity, %	13	7
Return on equity after dilution, %	13	7
Capital structure at end of period		
Capital employed, SEKm	17 828	18 306
Working capital, SEKm	2 286	2 748
Equity, SEKm	10 704	9 917
Interest-bearing net debt, SEKm	7 124	8 389
Net debt/equity ratio, multiple	0.67	0.85
Net debt/equity ratio after dilution, multiple	0.66	0.84
Equity ratio, %	42	40
Equity ratio after dilution, %	42	40
Interest-bearing net debt / EBITDA, multiple	2.17	3.26
Interest-bearing net debt / EBIT, multiple	3.75	7.38
Key figures per share		
Earnings per share, SEK	6.18	3.24
Average number of shares, thousands	206 762	206 632
Earnings per share after dilution, SEK	6.16	3.24
Average number of shares after dilution, thousands	207 298	207 051
Cash flow from operating activities per share, SEK	15.07	8.61
Operating cash flow per share, SEK	8.41	2.56
Equity per share, SEK	51.34	47.68
Number of shares at the end of the period, thousands	206 788	206 720
Equity per share after dilution, SEK	51.20	47.58
Number of shares at the end of the period after dilution, thousands	207 324	207 139
Other key figures		
Working capital as percentage of sales, %	12	14
Gross investments, SEKm	1 384	1 337
Average number of employees	4 194	4 272



**PARENT COMPANY
SUMMARISED INCOME STATEMENT**

	Quarter		Full year	
	Q4 -14	Q4 -13	2014	2013
SEKm				
Operating income	988	911	3 806	3 857
Operating expenses	-2 489	-862	-5 152	-3 652
Operating profit/loss	-1 501	49	-1 346	205
Financial income and expenses	-32	-46	-163	-191
Profit/Loss after financial income and expenses	-1 533	3	-1 509	14
Appropriations	950	-1 236	950	-1 231
Profit/Loss before tax	-583	-1 233	-559	-1 217
Taxes	135	276	133	272
Net profit/loss for the period	-448	-957	-426	-945

SUMMARISED BALANCE SHEET

	31 Dec 2014	31 Dec 2013
SEKm		
Non-current assets	10 768	13 109
Current assets	4 848	4 851
Total assets	15 616	17 960
Shareholders' equity	6 129	7 020
Untaxed reserves	355	2 135
Provisions	338	487
Interest-bearing liabilities	7 207	7 324
Other liabilities	1 587	994
Total equity and liabilities	15 616	17 960



BUSINESS AREAS

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas: Packaging Paper, Consumer Board and Containerboard. Non-current assets and capital investments cannot be broken down by business area since the business areas are highly integrated in terms of production. Other units include wood supply, sales organisations, Nine AB, the Latgran Group, Bomhus Energi AB, white kraft and sack paper at the Gävle production unit (PM2) until it was sold 1st of August 2013 and dormant companies. Currency hedging etc. includes results from hedging of the Group's net currency flows, revaluation of accounts receivable and payments from customers. The part of currency exposure relating to changes in invoicing rates is included in the business area's profit or loss. Group staff and eliminations comprise Group-wide functions and Group eliminations. Group eliminations also include shares in profits/losses from participations in associated companies.

NET SALES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Jan-Dec	Jan-Dec
									2014	2013
Packaging Paper	1 959	2 058	2 016	2 068	1 758	1 820	1 846	1 855	8 101	7 279
Consumer Board	1 768	1 897	1 822	1 949	1 659	1 716	1 784	1 805	7 436	6 964
Containerboard	816	773	767	792	763	755	758	797	3 148	3 073
Other units	609	487	512	589	549	470	579	699	2 197	2 297
Currency hedging, etc.	-28	-24	11	12	26	-13	38	25	-29	76
Group staff and eliminations	-	-	-	-	-	-	-	-	-	-
Total Group	5 124	5 191	5 128	5 410	4 755	4 748	5 005	5 181	20 853	19 689

OPERATING PROFIT QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Jan-Dec	Jan-Dec
									2014	2013
Packaging Paper	183	158	169	191	91	-1	76	118	701	284
Consumer Board	186	243	253	233	29	244	126	158	915	557
Containerboard	120	120	59	117	98	89	66	65	416	318
Other units	9	26	16	39	2	17	1	40	90	60
Currency hedging, etc.	-28	-24	11	12	26	-13	38	25	-29	76
Group staff and eliminations	-10	-73	-58	-51	-43	-27	-45	-43	-192	-158
Total Group	460	450	450	541	203	309	262	363	1 901	1 137

OPERATING PROFIT ¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Jan-Dec	Jan-Dec
									2014	2013
Packaging Paper	188	305	244	191	168	187	88	118	928	561
Consumer Board	303	354	265	233	148	244	241	206	1 155	839
Containerboard	133	140	115	117	151	110	66	65	505	392
Other units	9	26	16	39	2	17	1	40	90	60
Currency hedging, etc.	-28	-24	11	12	26	-13	38	25	-29	76
Group staff and eliminations	-10	-56	-41	-37	-14	1	5	-16	-144	-24
Total Group	595	745	610	555	481	546	439	438	2 505	1 904
Costs for maintenance shutdowns	-135	-227	-143	-	-249	-209	-115	-	-505	-573
Non-recurring items	-	-68	-17	-14	-29	-28	-62	-75	-99	-194
Operating profit	460	450	450	541	203	309	262	363	1 901	1 137

OPERATING MARGIN ¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

%	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Jan-Dec	Jan-Dec
									2014	2013
Packaging Paper	10	15	12	9	10	10	5	6	11	8
Consumer Board	17	19	15	12	9	14	14	-	16	12
Containerboard	16	18	15	15	20	15	9	8	16	13
Group	12	14	12	10	10	11	9	8	12	10

SALES VOLUMES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

ktonne	Q4 -14	Q3 -14	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Jan-Dec	Jan-Dec
									2014	2013
Packaging Paper	275	288	294	310	263	269	273	275	1 167	1 080
Consumer Board	235	252	249	268	231	236	242	250	1 004	959
Containerboard	134	127	128	139	126	134	142	150	528	552
Total	644	667	671	717	620	639	657	675	2 699	2 591

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



APPENDIX

SUMMARY OF ADJUSTMENTS AND EFFECTS ON INCOME STATEMENT AND BALANCE SHEET DUE TO CHANGED ACCOUNTING PRINCIPLE¹

	According to earlier accounting principles	Bomhus Energi AB	Revised
INCOME STATEMENT			
SEKm	Full year 2013		Full year 2013
Net sales	19 533	156	19 689
Other income	129	1	130
Operating income	19 662	157	19 819
Change in inventories	-43	-	-43
Raw materials and consumables	-10 181	-55	-10 236
Other external costs	-3 980	-26	-4 006
Employee benefits expense	-2 956	-2	-2 958
Depreciation and impairment of non-current assets	-1 402	-37	-1 439
Profit/Loss from participations in associated companies	13	-13	-
Operating expenses	-18 549	-133	-18 682
Operating profit/loss	1 113	24	1 137
Financial items	-285	-24	-309
Profit/Loss before tax	828	-	828
Tax	-142	-	-142
Profit/Loss for the period	686	-	686
BALANCE SHEET			
SEKm	31 Dec 2013		31 Dec 2013
Intangible assets	2 657	1	2 658
Property, plant and equipment	13 797	917	14 714
Other non-current assets	1 127	-329	798
Inventories	3 010	19	3 029
Accounts receivable	2 380	20	2 400
Other current assets	830	14	844
Cash and cash equivalents	484	13	497
Total assets	24 285	655	24 940
Shareholders equity attributable to owners of parent company	9 856	-	9 856
Non-controlling interests	61	-	61
Shareholders equity	9 917	-	9 917
Interest-bearing liabilities	4 574	623	5 197
Provisions for pensions	732	-	732
Other provisions	42	-	42
Deferred tax liabilities	2 691	-	2 691
Total non-current liabilities	8 039	623	8 662
Interest-bearing liabilities	2 958	-	2 958
Accounts payable	1 726	19	1 745
Other liabilities and provisions	1 645	13	1 658
Total current liabilities	6 329	32	6 361
Total equity and liabilities	24 285	655	24 940

1 From 2014 Bomhus Energi AB is reported as a joint operation in accordance with IFRS 11 and where BillerudKorsnäs recognises its share of Bomhus Energi AB's revenues, expenses, assets and liabilities.



APPENDIX CONTD.

SUMMARY OF ADJUSTMENTS AND EFFECTS ON INCOME STATEMENT AND BALANCE SHEET DUE TO CHANGED ACCOUNTING PRINCIPLE¹

	Q4		Q4
SEKm	2013		2013
Net sales	4 713	42	4 755
Other income	31	-	31
Operating income	4 744	42	4 786
Change in inventories	79	-	79
Raw materials and consumables	-2 517	-12	-2 529
Other external costs	-1 038	-10	-1 048
Employee benefits expense	-739	-	-739
Depreciation and impairment of non-current assets	-338	-8	-346
Profit/Loss from participations in associated companies	6	-6	-
Operating expenses	-4 547	-36	-4 583
Operating profit/loss	197	6	203
Financial items	-70	-6	-76
Profit/Loss before tax	127	-	127
Tax	-24	-	-24
Profit/Loss for the period	103	-	103

¹ From 2014 Bomhus Energi AB is reported as a joint operation in accordance with IFRS 11 and where BillerudKorsnäs recognises its share of Bomhus Energi AB's revenues, expenses, assets and liabilities.



FINANCIAL DEFINITIONS

Adjusted operating profit

Operating profit adjusted for non-recurring items.

Capital employed

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets.

Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares in the market during the period.

Earnings per share

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

Earnings per share after dilution

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market after estimated utilisation of incentive programmes.

Equity

Shareholders' equity at the end of the period.

Equity per share

Shareholders' equity at the end of the period, attributable to owners of the parent, divided by the number of shares in the market at the end of the period.

Equity per share after dilution

Shareholders' equity at the end of the period, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programmes divided by the number of shares in the market at the end of the period after estimated utilisation of incentive programmes.

Equity ratio

Shareholders' equity as a percentage of total assets.

Equity ratio after dilution

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

Gross Margin

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales.

Interest-bearing net debt

Interest-bearing provisions and liabilities less interest-bearing assets.

Interest-bearing net debt/ EBIT

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

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.

Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

Net debt/equity ratio after dilution

Interest-bearing net debt divided by shareholders' equity plus the effect of estimated utilisation of incentive programmes.

Non-recurring items

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

Operating cash flow per share

Operating cash flow divided by the average number of shares in the market during the period.

Operating margin

Operating profit as a percentage of net sales.

Return on capital employed

Operating profit as a percentage of average capital employed.

Return on equity

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent.

Return on equity after dilution

Profit for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent, plus the effect of estimated utilisation of incentive programmes.

Return on total capital

Operating profit as a percentage of average total capital.

Working capital

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

Working capital as percentage of net sales

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



BillerudKorsnäs offers primary fibre-based packaging materials and packaging solutions. The company holds a prominent position in several attractive product segments, both in primary fibre-based materials for consumer packaging and for industrial purposes. Through its business model BillerudKorsnäs focuses on its customers and offers high-quality materials, knowledge of the entire value chain and a global network of customers and packaging partners. The aim is to create values that strengthen customer brands and competitiveness, thereby securing the company's position as the natural partner for smarter packaging. BillerudKorsnäs' strategy is to generate profitable growth through world class process efficiency and customer-focused development. Today, BillerudKorsnäs' biggest market is Europe but the company has a clear focus to grow in other parts of the world.

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