



# BILLERUDKORSNÄS

Stability &  
production  
platform  
investment

## INTERIM REPORT January–June 2016

### KEY HIGHLIGHTS

- Although net sales for the quarter amounted to SEK 5 439 million which was SEK 50 million lower compared to the same period last year, for comparable units net sales increased with SEK 105 million or approximately 2%.
- Sales volumes increased with 4% compared to the same period last year.
- Earnings per share for the quarter amounted to SEK 1.93 (1.92).
- Costs for planned maintenance shutdowns in the production units in Gruvön and Skärblacka amounted to SEK 244 million, compared to estimated SEK 220 million.
- Significant improvements were made in the production and production was running according to plans towards the end of the quarter.

### OUTLOOK

- Demand and order situation for the third quarter is expected to be stable with normal seasonal variances for all business areas.
- Average prices in local currency in the third quarter are in general anticipated to be stable with exceptions for some segments.
- No changes to wood prices are anticipated for the third quarter.
- Gävle and Karlsborg production units will have planned maintenance shutdowns during the third quarter.

### KEY FIGURES

SEKm	Q2 2016	Q2 2015	Change	Jan-Jun 2016	Jan-Jun 2015	Change
Net sales	5 439	5 489	-1%	10 796	11 123	-3%
EBITDA	859	897	-4%	1 876	1 948	-4%
Adjusted EBITDA	884	897	-1%	1 901	1 948	-2%
EBITDA, %	16%	16%		17%	18%	
Adjusted EBITDA, %	16%	16%		18%	18%	
Operating profit	499	542	-8%	1 157	1 240	-7%
Adjusted operating profit	524	542	-3%	1 182	1 240	-5%
Operating margin, %	9%	10%		11%	11%	
Adjusted operating margin, %	10%	10%		11%	11%	
Net profit/loss for the period	400	403	-1%	881	907	-3%
Earnings per share, SEK	1.93	1.92	1%	4.26	4.30	-1%
Adjusted earnings per share, SEK	2.05	1.92	7%	4.38	4.30	2%
Operating cash flow	631	323	95%	786	1 056	-26%
ROCE, %	N/A	N/A		14%	12%	
Working Capital, % of net sales	11%	11%		11%	11%	
Interest-bearing net debt / EBITDA, multiple	1.32	1.92		1.32	1.92	

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This information is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CET on 20 July 2016.

## Comments by CEO

### Stability and production platform investment



Per Lindberg,  
President and CEO

”After a couple of troublesome quarters we are now back on track with production running according to plans. The second quarter performance is in line with our own expectations. During the quarter it was decided to proceed with the investment in Skärblacka. The investment will enable further growth in attractive market segments and at the same time streamline the company’s production structure. The investment program will develop the Skärblacka production unit in Sweden into a world leading center for machine glazed, MG, kraft paper production, hence creating a competitive future platform for Packaging Paper to enable the selective growth strategy”

#### THE RESULT

Net sales for comparable units increased 2% compared to Q2 last year and year on year net sales show a slight increase of 1%. Adjusted EBITDA for comparable units improved with 3% compared to the first six months last year, in spite of approximately SEK 74 million higher costs for periodic maintenance shutdowns this year. Results improved in both Consumer Board and Corrugated Solutions business areas. The item affecting comparability is related to a fraud case that caused a loss of SEK 25 million in June, this is something we treat very seriously and we work diligently to try to recover the money. Our return on capital employed reached 14% which is above our target and our working capital in relation to sales improved from previous quarter from 12% to 11%. Our net debt to EBITDA ratio increased due to dividend payout to 1.32, but is significantly lower than our target of below 2.5.

#### MARKET OUTLOOK

Overall the market was stable and we anticipate that to continue.

For Business area Packaging Paper the brown and white sack paper markets strengthened seasonally. The pulp price was down compared to Q2 last year. The remaining segments in Packaging Paper had a stable market development with no changes to local prices.

Consumer Board delivered lower sales volumes than the first six months last year as a consequence of the problems in production in Q4 last year and the previous quarter. But as we now are back on track in production we anticipate that we will reach our growth targets during the second half of the year.

Business area Corrugated Solutions shows a continued strong performance in spite of the fact that the market did not develop as we anticipated during the quarter where liner has been stronger than expected and fluting a bit tougher than anticipated.

#### STRATEGY

Part of our strategy for creating long-term profitable growth is to expand our position in the value chain as well as geographically. Based on our focus and expertise in the packaging area we want both to develop and complement our sustainable materials with packaging solutions to a larger extent. It is a natural development but also necessary. In new markets, complete solutions are often required in order to introduce new materials.

During the past six months, the former subsidiary PACCESS (now Managed Packaging), with a business model fully based on packaging solutions, was fully integrated into BillerudKorsnäs. Even more recently a complete packaging system was launched together with Bosch. The latter is a unique solution for sealed packaging of dry foods based fully on renewable material. The development toward more packaging solutions is a natural evolution within each business area. In addition there is room for more revolutionary solution development in the newly formed subsidiary BillerudKorsnäs Venture AB.

**SEK 5 439 m**  
NET SALES

**SEK 884 m**  
ADJUSTED EBITDA

**SEK 859 m**  
EBITDA

**16%**  
EBITDA MARGIN

# Sales and results

**Increased net sales compared to the previous quarter were counteracted by costs for planned maintenance shutdowns and as a consequence EBITDA decreased with 16%.**

**Quarterly sales and EBITDA lower than last year due to increased number of mills having maintenance stops, increased price pressure, and the divestiture of Latgran.**

## Q2 2016 COMPARED TO Q1 2016

Net sales for the second quarter were 2% higher than the previous quarter. An improved currency situation offset slightly lower sales volumes. The group saw stable sales volumes both for Packaging Paper, despite the maintenance stop in Skärblacka and Gruvön during the quarter, as well as for Consumer board, who benefited from increased production stability. Corrugated Solutions fell somewhat behind previous quarter mainly due to volume losses related to the maintenance stop in Gruvön and Skärblacka. The business area was also impacted by a temporarily lower demand and increased competition for fluting following higher production output in the market.

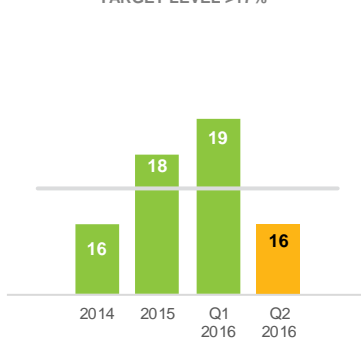
EBITDA decreased by 16% following the two maintenance stops which affected the quarter with approximately SEK 244 million. No maintenance stops were carried out during the first quarter 2016.

## Q2 2016 COMPARED TO Q2 2015

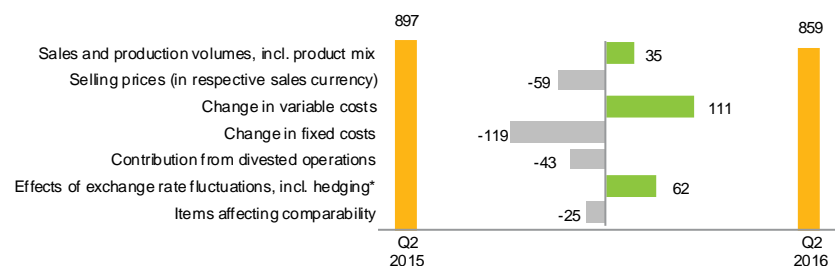
Net sales for the quarter were 1% lower than the corresponding period last year. Sales volumes increased by 4%, mainly following last year's rebuild of the fluting machine PM6, but this was counteracted by increased price pressure in some segments and the divestiture of Latgran. For comparable units total net sales improved with 2%. Packaging Paper sales volumes increased compared to last year due to increased sales volumes of kraft and sack paper. Corrugated Solutions volumes and sales developed positively compared to last year in all segments. Consumer Board had a reduction in sales volumes due to previous production disturbances at the Frövi mill affecting stock levels available for delivery during the quarter.

EBITDA decreased with 4%, primarily due to that both Gruvön and Skärblacka performed planned maintenance shutdowns during the quarter as compared to only Gruvön last year (net effect SEK -74 million). The divestiture of Latgran in combination with price pressure also led to a negative EBITDA development. On a positive note there was a reduction in variable costs which is mainly explained by lower raw material costs.

**EBITDA MARGIN**  
TARGET LEVEL >17%



**CHANGE IN EBITDA Q2 2016 COMPARED TO Q2 2015, SEKm**



\* Effects of exchange rate fluctuations totalling SEK 62 million comprise the following components: change in spot rates SEK -55 million, currency hedging SEK 20 million and currency effects from revaluation of trade receivables and payments from customers SEK 97 million.



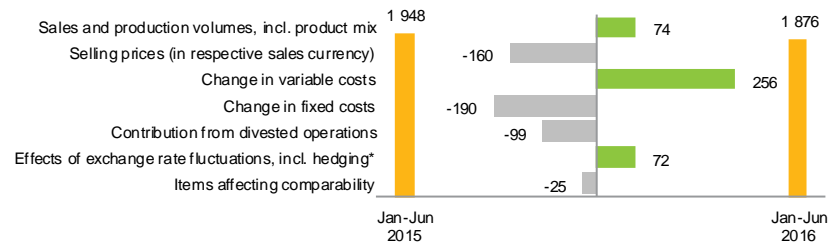
**Decreased EBITDA due to increased price pressure and the divestiture of Latgran combined with production and delivery issues within Consumer Board and additional costs for maintenance stops.**

**JAN-JUN 2016 COMPARED TO JAN-JUN 2015**

Net sales for the first six months were 3% lower than the corresponding period last year. Sales volumes increased by 2%, mainly related to increased fluting volumes, partly offset by production disturbances at the Frövi mill and subsequent delivery issues end of 2015 and first half of 2016. Net sales were also affected by increased price pressure in some segments. The divestiture of Latgran also had a negative impact on sales. For comparable units net sales increased a little over 1%. Corrugated Solutions volumes and sales developed positively compared to last year in all segments. Packaging Paper sales volumes were in line with last year and Consumer Board saw a reduction in sales volume due to production-, and related delivery disturbances.

EBITDA decreased with 4%, primarily due to that both Gruvön and Skärblacka performed maintenance stops during the first six months as compared to only Gruvön last year (net effect SEK -74 million). The divestiture of Latgran in Q3 2015 also had a comparably negative EBITDA effect as did a slightly lower average price. Variable costs developed favourably related to lower raw material costs, mainly fibre. For comparable units EBITDA actually improved with approximately 3%.

**CHANGE IN EBITDA JAN-JUN 2016 COMPARED TO JAN-JUN 2015, SEKm**



\* Effects of exchange rate fluctuations totalling SEK 72 million comprise the following components: change in spot rates SEK -84 million, currency hedging SEK 156 million and currency effects from revaluation of trade receivables and payments from customers SEK 0 million.

**ITEMS AFFECTING COMPARABILITY**

During the quarter, the company had items affecting comparability impacting EBITDA negatively with SEK 25 million.

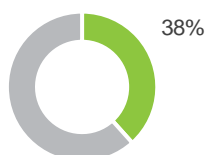
The items consist of costs caused by an external fraud towards the company. BillerudKorsnäs has reported the fraud to Swedish police and also reported a claim to the insurance company.

# Packaging Paper business area

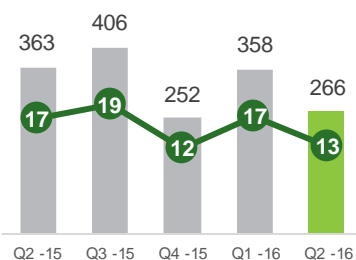
## KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS

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 production<sup>1</sup>.

### SHARE OF GROUP'S NET SALES Q2 2016



### EBITDA



### KEY FIGURES

SEKm	Quarter		Jan-Jun	Full year	
	Q2 -16	Q2 -15	2016	2015	2015
Net sales	2 085	2 176	4 172	4 358	8 552
Net operating expenses, other	-1 819	-1 813	-3 548	-3 560	-7 096
<b>EBITDA</b>	<b>266</b>	<b>363</b>	<b>624</b>	<b>798</b>	<b>1 456</b>
EBITDA, %	13%	17%	15%	18%	17%
Operating profit/loss	143	245	376	562	971
Operating margin, %	7%	11%	9%	13%	11%
Sales volumes, ktonnes	295	288	590	588	1 163
whereof packaging paper	190	180	376	378	733

### Q2 2016 COMPARED TO Q2 2015

Due to costs associated with annual maintenance shutdowns in Gruvön and Skärblacksa, unfavourable development of currency exchange rates and lower pulp prices, EBITDA for the quarter decreased by 27% compared to the same period last year. Net sales decreased with 4% compared to Q2 2015. Lower pulp prices were partly offset by improved profitability in non-integrated production units.

### JAN-JUN 2016 COMPARED TO JAN-JUN 2015

Due to lower pulp prices, unfavourable development of currency exchange rates and timing of annual maintenance shutdowns, EBITDA for the first half of the year decreased by 22% compared to the same period last year. Net sales decreased with 4% mainly due to lower pulp prices. The prices in local currency were on the same level as last year except for brown sack paper and pulp.

### MARKET DEVELOPMENT

The market situation remained stable during the quarter. The brown sack paper market improved seasonally compared to previous quarter in spite of some current market weakness. Prices in local currency were stable compared to previous quarter for all segments, except the brown sack paper where local prices decreased.

The market for NBSK pulp strengthened somewhat during the quarter compared to the previous quarter. Prices increased to approximately USD 810 per tonne at the end of the quarter, compared to approximately USD 790 at the end of the previous quarter. Price level on pulp at the end of Q2 2015 was USD 850.

### OUTLOOK

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

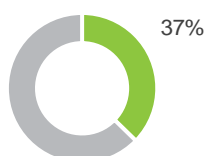
<sup>1</sup> The Packaging Paper business area buys and sells pulp at market price. The Group's net exposure in market pulp is estimated to average approximately 150 ktonnes annually.

## Consumer Board business area

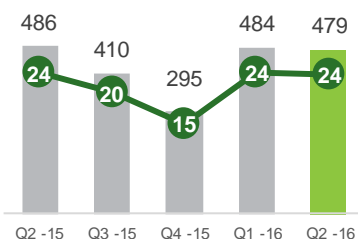
### LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

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 Q2 2016



#### EBITDA



#### KEY FIGURES

SEKm	Quarter		Jan-Jun		Full year
	Q2 -16	Q2 -15	2016	2015	2015
Net sales	2 028	2 044	4 052	4 067	8 006
Net operating expenses, other	-1 549	-1 558	-3 089	-3 115	-6 349
<b>EBITDA</b>	<b>479</b>	<b>486</b>	<b>963</b>	<b>952</b>	<b>1 657</b>
EBITDA, %	24%	24%	24%	23%	21%
Operating profit/loss	287	310	582	600	954
Operating margin, %	14%	15%	14%	15%	12%
Sales volumes, ktonnes	268	274	533	546	1 065

#### Q2 2016 COMPARED TO Q2 2015

Due to lower sales volumes net sales decreased compared to Q2 2015. Sales volumes decreased with approximately 2% due to production disturbances in the Frövi mill during the fourth quarter 2015 and the first quarter 2016 and the subsequently reduced stock levels available for deliveries.

EBITDA decreased by 1% compared to Q2 2015, primarily due to the lower sales volumes.

#### JAN-JUN 2016 COMPARED TO JAN-JUN 2015

Due to lower sales volumes net sales decreased compared to same period last year. Sales volumes decreased with approximately 2% due to production disturbances in the Frövi mill and the subsequently reduced stock level available for deliveries.

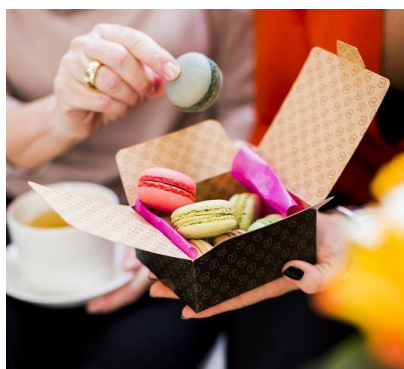
EBITDA increased by 1% compared to 2015, primarily due lower variable costs. The EBITDA improvement was offset by lower sales volumes.

#### MARKET DEVELOPMENT

The order situation for liquid packaging board and cartonboard in the second quarter was stable and satisfactory with normal seasonal variances. 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. Stock levels are recovering and production in the Frövi mill is more stable than previous quarters.

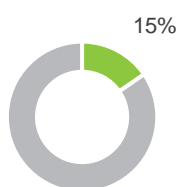


# Corrugated Solutions business area

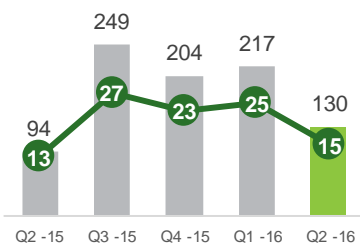
## STRONG FLUTING AND LINER ADD VALUE

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  
Q2 2016



EBITDA



## KEY FIGURES

SEKm	Quarter		Jan-Jun	Full year	
	Q2 -16	Q2 -15	2016	2015	2015
Net sales	839	722	1 718	1 523	3 329
Net operating expenses, other	-709	-628	-1 371	-1 252	-2 605
<b>EBITDA</b>	<b>130</b>	<b>94</b>	<b>347</b>	<b>271</b>	<b>724</b>
EBITDA, %	15%	13%	20%	18%	22%
Operating profit/loss	84	51	256	188	551
Operating margin, %	10%	7%	15%	12%	17%
Sales volumes, ktonnes	129	106	267	235	506

### Q2 2016 COMPARED TO Q2 2015

Net sales increased with 16% due to increased volume of fluting and growth for solution sales. Q2 2015 was affected by fluting volume loss due to rebuild of PM6 in Gruvön production unit.

EBITDA increased with 38% or SEK 36 million mainly due to increased sales and lower variable costs, partly offset by higher fixed costs and negative currency effects.

### JAN-JUN 2016 COMPARED TO JAN-JUN 2015

Net sales increased with 13% mainly due to increased volume of fluting and growth for solution sales.

EBITDA increased with 28% or SEK 76 million mainly due to increased volume and lower variable costs, partly offset by negative currency effects and increased fixed costs.

### MARKET DEVELOPMENT

Order books, sales volumes and prices were stable for liner. Order book for fluting during the second quarter was affected by temporarily lower seasonal demand and poor fruit and vegetable harvest season in some markets, which resulted in price pressure. Solution sales continued to grow successfully and take onboard new business in Asia.

### OUTLOOK

In general, the demand for fluting is anticipated to be stable during the next quarter, while the demand for liner continues to be higher than normal. Price for fluting is anticipated to be stable during the next quarter but on a slightly lower level compared to previous quarters. For liner there is a possibility for selective price increases due to high demand and stable order book.

BillerudKorsnäs has recruited Mikael Andersson to the position of Senior Vice President for Business Area Corrugated Solutions. Mr. Andersson has a solid experience from international sales and he knows the business in depth as he until recently held the position of Sales Director within the business area. Mr. Andersson will start in his new position on 1 August 2016.



## Currency hedging

**SEK 9 million earnings impact for the quarter.**

Currency hedging had an overall earnings impact of SEK 9 million (-11) for the second quarter and SEK 40 million (-117) for the first half of 2016 (compared to no hedging).

For the coming 15 months 53% of the forecasted net flows of EUR have been hedged at 9.48 (9.29) against SEK and 38% of the forecasted net flows of USD have been hedged at 8.43 (7.15) against SEK. 6% of the forecasted net flows of GBP have been hedged at 12.02 (11.45) against SEK.

The outstanding forward exchange contracts at 30 June 2016 had a market value of SEK 22 million, whereof SEK 7 million is the part of the contracts matched by trade receivables that has affected earnings in the second quarter. Accordingly, other contracts had a market value of SEK 15 million.

### HEDGED PORTION OF THE FORECASTED CURRENCY FLOWS FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (30 JUNE 2016)

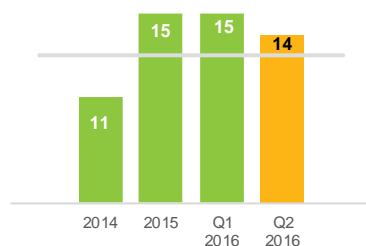
Currency		Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Total 15 months
EUR	Share of net flow	79%	79%	68%	41%	-	53%
	Rate	9.50	9.47	9.50	9.47	-	9.48
USD	Share of net flow	80%	62%	45%	3%	-	38%
	Rate	8.51	8.41	8.33	8.41	-	8.43
GBP	Share of net flow	30%	-	-	-	-	6%
	Rate	12.02	-	-	-	-	12.02
<b>Market value of currency contracts*</b>		<b>11</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>22</b>

\*On 30 June 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 323 million (498) for the second quarter and SEK 577 million SEK (744) for the first half of 2016.

During the quarter, the Board of Directors approved an investment of approximately SEK 1 280 million for development of Skärblacka production unit into a world leading center for MG kraft paper. The investments will be carried out between 2016 and early 2018 and includes relocation of the MG machine in Tervasaari, Finland to the Skärblacka production unit in Sweden and also an investment in surface treatment capacity at existing MG production in Skärblacka. The start-ups of the relocated machine and the rebuilt production capacity are expected during Q4 2017 to Q1 2018. BillerudKorsnäs underlying investment level is approximately SEK 1 300 million per year. With the above investments the total investment level is expected to increase to approximately SEK 1 420 million in 2016 and approximately SEK 1 900 million in both 2017 and 2018.

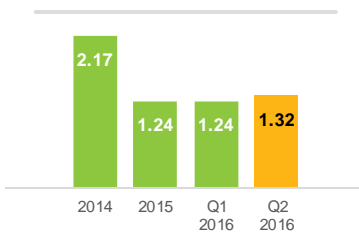
Capital employed at 30 June 2016 amounted to SEK 17 435 million (17 774). Return on capital employed (ROCE), calculated over the past 12-month period, amounted to 14% (12%). Return on equity was 15% (15%).



# Cash flow and financial position

## NET DEBT/EBITDA

TARGET LEVEL <2.5



## SUMMARY CASH FLOW STATEMENT

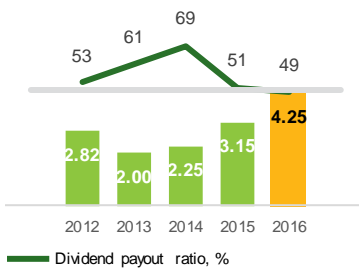
SEKm	Quarter		Jan-Jun	
	Q2 -16	Q2 -15	2016	2015
Operating surplus, etc.	840	897	1 836	1 918
Change in working capital, etc.	168	28	-236	-186
Net financial items, taxes, etc.	-54	-104	-237	66
<b>Cash flow from operating activities</b>	<b>954</b>	<b>821</b>	<b>1 363</b>	<b>1 798</b>
Current net investments	-323	-498	-577	-742
<b>Operating cash flow</b>	<b>631</b>	<b>323</b>	<b>786</b>	<b>1 056</b>

Operating cash flow during the first half of 2016 amounted to SEK 786 million (1 056). The decrease compared to same period last year was mainly due to repayment of preliminary tax payments of approximately SEK 300 million received in Q1 2015. Working capital in relation to sales was 11% for the quarter, compared to 12% for the previous quarter. The 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.

Interest-bearing net debt on 30 June 2016 amounted to SEK 5 204 million (6 798). The Group's interest-bearing net debt in relation to EBITDA at the end of the period was 1.32 (1.92). The target is to have a ratio below 2.5.

## DIVIDEND POLICY

TARGET LEVEL 50%



# Financing

Interest-bearing debt amounted to SEK 4 998 million, an increase of SEK 592 million since the previous quarter. The change was related to dividend payout in May which was financed with short term debt. Term loans increased with SEK 400 million, and commercial papers with SEK 200 million, both recognised as short term debt. Compared to previous year, the interest-bearing debt decreased with SEK 1 193 million, mainly due to the divestment of SIA Latgran.

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		800		700	1 500
Bond loans within MTN program	5 000	400	1 800		2 200
Commercial paper	3 000	750			750
Term loan, Bomhus Energi AB		38	41	468	547
Other interest-bearing liabilities			1		1
<b>Group total</b>		<b>1 988</b>	<b>1 842</b>	<b>1 168</b>	<b>4 998</b>



## Taxes

The tax cost for the first half of 2016 amounted to SEK 240 million (254), equal to approximately 21% (22%) of profit before tax.

## 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 half of 2016 amounted to SEK 48 million compared with SEK -263 million for the first half of 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 second quarter to SEK 40 million (-117).

The average number of employees was 103 (92). Cash and bank balances and short-term investments amounted to SEK 351 million (7).

During the second quarter of 2016, the parent company was exposed to an external fraud. The fraud impacted the results negatively with SEK 25 million. BillerudKorsnäs has reported the fraud to Swedish police and also reported a claim to the insurance company.

# 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 <sup>1</sup>	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

<sup>1</sup> 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. In Q2 2016, Gruvön and Skärblacka carried out planned maintenance shutdowns. Total costs for the shutdowns amounted to SEK 244 million which was SEK 24 million more than estimated.

## Largest shareholders

### BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (30 JUNE 2016)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	19 699 589	9.5
Swedbank Robur Funds	9 355 053	4.5
Fourth Swedish National Pension Fund	6 862 376	3.3
Lannebo Funds	6 302 204	3.0
Handelsbanken Funds	5 900 339	2.8
Alecta	5 200 000	2.5
DFA Funds (USA)	3 960 249	1.9
Catella Funds	3 194 307	1.5
Norges Bank Investment Management	2 435 934	1.2
<b>Total 10 largest shareholders</b>	<b>94 210 051</b>	<b>45.3</b>
<b>Total number of shares in the market</b>	<b>207 089 336</b>	<b>100.0</b>

## Distribution of shares

### DISTRIBUTION OF SHARES (30 JUNE 2016)

Registered number of shares	208 219 834
Bought back shares	-1 130 498
<b>Total number of shares in the market</b>	<b>207 089 336</b>

## Long-term incentive program 2016

At the 2016 AGM, it was resolved that a long-term incentive programme (LTIP 2016) should be introduced at BillerudKorsnäs, combined with a transfer of individual holdings of own shares. BillerudKorsnäs has already two existing long-term incentive programmes (LTIP 2014 and LTIP 2015).

The objective of LTIP 2016 is to underpin BillerudKorsnäs' ability to retain its best talents for critical leadership positions, as well as to spur those participating into increased efforts by linking their interests and viewpoints with those of the shareholders. The programme comprises up to 100 executive officers, other key employees and talents in the BillerudKorsnäs Group. LTIP 2016 runs for three years starting in 2016. LTIP 2016 has similar structure as earlier long-term incentive programs (2010-2015). Its outcome will be determined by the extent to which various financial performance requirements are achieved. The maximum number of BillerudKorsnäs shares encompassed by LTIP 2016 is 305 202, corresponding to approximately 0.15% of the total number of BillerudKorsnäs shares outstanding and the number of votes to be cast. The maximum estimated cost of LTIP 2016 is estimated at approximately SEK 84 million, including social security costs of SEK 50 million.

More information on LTIP 2016 is available in the documents for the 2016 AGM, which are available on BillerudKorsnäs' website.

## 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

No significant events have occurred after the end of the quarter.

### FINANCIAL CALENDAR

Q3 2016 – 21 October 2016

Year-end report 2016 – 2 February 2017

Q1 2017 – 20 April 2017

2017 Annual general Meeting – 10 May 2017

Q2 2017 – 18 July 2017

Q3 2017 – 17 October 2017



The undersigned hereby confirm that this mid-year report provides a true and fair view of the parent company's and Group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Solna, 19 July 2016

BillerudKorsnäs AB (publ)

Lennart Holm  
*Chairman*

Michael M.F. Kaufmann  
*Member*

Andrea Gisle Joosen  
*Member*

Bengt Hammar  
*Member*

Mikael Hellberg  
*Member*

Jan Homan  
*Member*

Gunilla Jönson  
*Member*

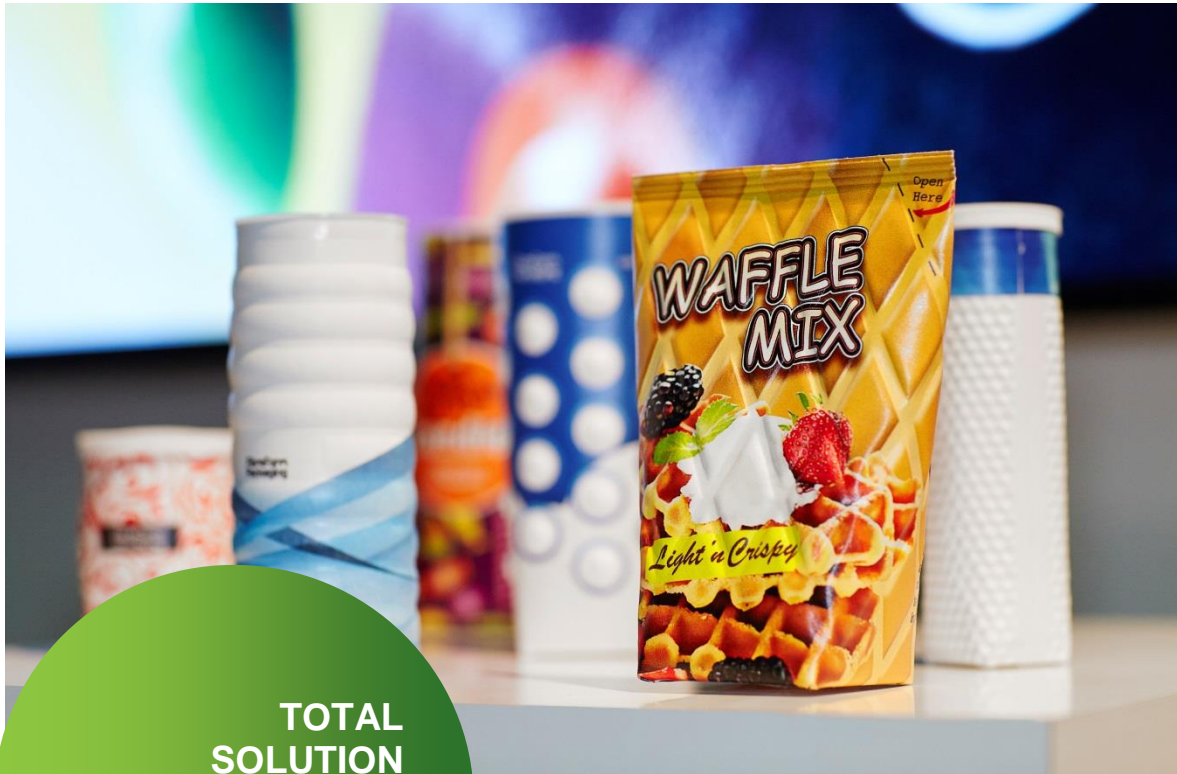
Kristina Schauman  
*Member*

Kjell Olsson  
*Member*

Gunnevi Lehtinen Johansson  
*Member*

Per Lindberg  
*President and CEO*

This information is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This information has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditors.



**TOTAL  
SOLUTION**  
- FROM PAPER REEL  
TO PACKAGED  
PRODUCT



**BillerudKorsnäs is able to offer the customer a complete solution all the way to the packaged product.**

FreeForm packaging joint venture, together with Italian machine manufacturer Curti, sells a complete system comprising a FreeFormPack machine and deliveries of FibreForm® material.

**BillerudKorsnäs FibreForm® is a paper with many advantages.** Its high elasticity means the material can be shaped to produce thermoformed and deep-drawn food and consumer packaging such as trays and blister packs.

FibreForm® is also cost-effective and offers environmental benefits, making it a strong alternative to plastics.



## BillerudKorsnäs Group

### Summarised income statement

SEKm	Quarter			Jan-Jun	Full year	
	Q2 -16	Q1 -16	Q2 -15	2016	2015	2015
Net sales	5 439	5 357	5 489	10 796	11 123	21 814
Other income	46	30	38	76	86	594
<b>Operating income</b>	<b>5 485</b>	<b>5 387</b>	<b>5 527</b>	<b>10 872</b>	<b>11 209</b>	<b>22 408</b>
Change in inventories	6	101	-5	107	-46	-214
Raw materials and consumables	-2 555	-2 624	-2 756	-5 179	-5 560	-10 597
Other external costs	-1 211	-1 008	-1 033	-2 219	-2 056	-4 421
Employee benefits expense	-866	-839	-836	-1 705	-1 599	-3 167
Depreciation and impairment of non-current assets	-360	-359	-355	-719	-708	-1 417
Profit/Loss from participations in associated companies	-	-	-	-	-	-6
<b>Operating expenses</b>	<b>-4 986</b>	<b>-4 729</b>	<b>-4 985</b>	<b>-9 715</b>	<b>-9 969</b>	<b>-19 822</b>
<b>Operating profit/loss</b>	<b>499</b>	<b>658</b>	<b>542</b>	<b>1 157</b>	<b>1 240</b>	<b>2 586</b>
Financial income and expenses	2	-38	-26	-36	-79	-175
<b>Profit/Loss before tax</b>	<b>501</b>	<b>620</b>	<b>516</b>	<b>1 121</b>	<b>1 161</b>	<b>2 411</b>
Taxes	-101	-139	-113	-240	-254	-443
<b>Net profit/loss for the period</b>	<b>400</b>	<b>481</b>	<b>403</b>	<b>881</b>	<b>907</b>	<b>1 968</b>
<b>Profit/Loss attributable to:</b>						
Owners of the parent company	400	481	397	881	889	1 811
Non-controlling interests	-	-	6	-	18	157
<b>Net profit/loss for the period</b>	<b>400</b>	<b>481</b>	<b>403</b>	<b>881</b>	<b>907</b>	<b>1 968</b>
<b>Earnings per share, SEK</b>	<b>1.93</b>	<b>2.33</b>	<b>1.92</b>	<b>4.26</b>	<b>4.30</b>	<b>8.75</b>
<b>Diluted earnings per share, SEK</b>	<b>1.93</b>	<b>2.32</b>	<b>1.92</b>	<b>4.25</b>	<b>4.29</b>	<b>8.73</b>

### Summarised statement of comprehensive income

SEKm	Quarter			Jan-Jun	Full year	
	Q2 -16	Q1 -16	Q2 -15	2016	2015	2015
<b>Net profit/loss for the period</b>	<b>400</b>	<b>481</b>	<b>403</b>	<b>881</b>	<b>907</b>	<b>1 968</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial gains or losses on defined benefit pension plans	-	-	-63	-	-63	-28
Tax attributable to items not to be reclassified to profit or loss	-	-	14	-	14	6
<b>Total items never reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-49</b>	<b>-</b>	<b>-49</b>	<b>-22</b>
<b>Items that have been or may be reclassified subsequently to profit or loss</b>						
Differences arising from the translation of foreign operations' accounts	25	4	-12	29	-51	-82
Change in fair value of shareholding in Bergvik Skog	-39	1	-5	-38	-3	456
Change in fair value of cash flow hedges	-37	14	97	-23	150	141
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	8	-3	-22	5	-33	-31
<b>Total items that have been or may be reclassified subsequently to profit or loss</b>	<b>-43</b>	<b>16</b>	<b>58</b>	<b>-27</b>	<b>63</b>	<b>484</b>
<b>Total comprehensive income for the period</b>	<b>357</b>	<b>497</b>	<b>412</b>	<b>854</b>	<b>921</b>	<b>2 430</b>
<b>Attributable to:</b>						
Owners of the parent company	357	497	406	854	905	2 278
Non-controlling interests	-	-	6	-	16	152
<b>Total comprehensive income for the period</b>	<b>357</b>	<b>497</b>	<b>412</b>	<b>854</b>	<b>921</b>	<b>2 430</b>



## Summarised balance sheet

SEKm	30 Jun 2016	30 Jun 2015	31 Dec 2015
Intangible assets	2 340	2 429	2 384
Property, plant and equipment	14 732	14 568	14 812
Other non-current assets	1 300	852	1 341
<b>Total non-current assets</b>	<b>18 372</b>	<b>17 849</b>	<b>18 537</b>
Inventories	2 950	3 024	2 842
Accounts receivable	2 625	2 630	2 512
Other current assets	789	705	1 004
Assets classified as held for sale <sup>1</sup>	-	611	-
Cash and cash equivalents	551	214	188
<b>Total current assets</b>	<b>6 915</b>	<b>7 184</b>	<b>6 546</b>
<b>Total assets</b>	<b>25 287</b>	<b>25 033</b>	<b>25 083</b>
Equity attributable to owners of the parent company	12 232	10 873	12 253
Non-controlling interests	-	105	165
<b>Total equity</b>	<b>12 232</b>	<b>10 978</b>	<b>12 418</b>
Interest-bearing liabilities	3 009	3 746	3 027
Provisions for pensions	768	825	783
Other provisions	45	57	45
Deferred tax liabilities	3 174	2 955	3 186
<b>Total non-current liabilities</b>	<b>6 996</b>	<b>7 583</b>	<b>7 041</b>
Interest-bearing liabilities	1 988	2 445	1 368
Accounts payables	2 556	2 551	2 679
Other liabilities and provisions	1 515	1 380	1 577
Liabilities associated with assets held for sale <sup>1</sup>	-	96	-
<b>Total current liabilities</b>	<b>6 059</b>	<b>6 472</b>	<b>5 624</b>
<b>Total equity and liabilities</b>	<b>25 287</b>	<b>25 033</b>	<b>25 083</b>

<sup>1</sup> Assets and liabilities associated with the divestiture of SIA Latgran.

## Summarised statement of changes in equity

SEKm	Jan-Jun 2016	2015	Full year 2015
<b>Opening balance</b>	<b>12 418</b>	<b>10 704</b>	<b>10 704</b>
Comprehensive income for the period	854	921	2 430
Share-based payment to be settled in equity instruments	4	4	11
Dividend to owners of the parent company	-880	-651	-651
Dividend to non-controlling interests	-164	-	-76
<b>Closing balance</b>	<b>12 232</b>	<b>10 978</b>	<b>12 418</b>
<b>Equity attributable to:</b>			
Owners of the parent company	12 232	10 873	12 253
Non-controlling interests	-	105	165
<b>Closing balance</b>	<b>12 232</b>	<b>10 978</b>	<b>12 418</b>



## Summarised statement of cash flow

SEKm	Quarter			Jan-Jun	Full year	
	Q2 -16	Q1 -16	Q2 -15	2016	2015	2015
Operating surplus, etc.*	840	996	897	1 836	1 918	3 622
Change in working capital, etc.	168	-404	28	-236	-186	120
Net financial items, taxes, etc.	-54	-183	-104	-237	66	-84
<b>Cash flow from operating activities</b>	<b>954</b>	<b>409</b>	<b>821</b>	<b>1 363</b>	<b>1 798</b>	<b>3 658</b>
Investments in property, plant and equipment	-323	-254	-496	-577	-742	-1 672
Acquisition of financial assets	-	-	-2	-	-2	-38
Sales of subsidiary	-	-	-	-	-	941
Business combinations	-6	-	-	-6	-	-
Disposal of property, plant and equipment	-	-	-	-	2	9
<b>Cash flow from investing activities</b>	<b>-329</b>	<b>-254</b>	<b>-498</b>	<b>-583</b>	<b>-742</b>	<b>-760</b>
Change in interest-bearing receivables	5	-	-5	5	-6	-
Change in interest-bearing liabilities	594	12	23	606	-894	-2 687
Dividend to owners of the parent company	-880	-	-651	-880	-651	-651
Dividend to non-controlling interests	-62	-103	-	-165	-	-76
<b>Cash flow from financing activities</b>	<b>-343</b>	<b>-91</b>	<b>-633</b>	<b>-434</b>	<b>-1 551</b>	<b>-3 414</b>
<b>Total cash flow (=change in cash and cash equivalents)</b>	<b>282</b>	<b>64</b>	<b>-310</b>	<b>346</b>	<b>-495</b>	<b>-516</b>
<b>Cash and cash equivalents at start of period</b>	<b>257</b>	<b>188</b>	<b>545</b>	<b>188</b>	<b>737</b>	<b>737</b>
<b>Translation differences in cash and cash equivalents</b>	<b>12</b>	<b>5</b>	<b>-21</b>	<b>17</b>	<b>-28</b>	<b>-33</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>551</b>	<b>257</b>	<b>214</b>	<b>551</b>	<b>214</b>	<b>188</b>

\* The amount for the period January-June 2016 takes into account operating profit of SEK 1 157 million, reversed depreciation SEK 719 million, decrease in pension liabilities SEK -25 million, other provisions SEK -16 million, net of produced and sold electricity certificates and sold emission rights SEK -3 million and incentive programmes SEK 4 million. The amount for the period January-June 2015 takes into account operating profit of SEK 1 240 million, reversed depreciation SEK 708 million, decrease in pension liabilities SEK -7 million, other provisions SEK -11 million, net of produced and sold electricity certificates and sold emission rights SEK -16 million and incentive programmes SEK 4 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 21 of this report.

In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance and enhance comparability from period to period. These APMs should not be considered as a substitute for measures in accordance with IFRS.

## Note 2 Financial assets and liabilities

Group 30 June 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	-	-	1 250	-	1 250	1 250
Long-term receivables	-	17	-	-	17	17
Accounts receivable	-	2 625	-	-	2 625	2 625
Other receivables	38	471	-	-	509	509
Cash and cash equivalents <sup>1</sup>	-	551	-	-	551	551
<b>Total</b>	<b>38</b>	<b>3 664</b>	<b>1 250</b>	<b>-</b>	<b>4 952</b>	<b>4 952</b>
Non-current interest-bearing liabilities	-	-	-	3 009	3 009	3 050
Current interest-bearing liabilities	-	-	-	1 988	1 988	1 988
Accounts payables	-	-	-	2 556	2 556	2 556
Other liabilities	128	-	-	234	362	362
<b>Total</b>	<b>128</b>	<b>-</b>	<b>-</b>	<b>7 787</b>	<b>7 915</b>	<b>7 956</b>

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 <sup>1</sup>	-	188	-	-	188	188
<b>Total</b>	<b>97</b>	<b>3 355</b>	<b>1 289</b>	<b>-</b>	<b>4 741</b>	<b>4 741</b>
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
<b>Total</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>7 338</b>	<b>7 512</b>	<b>7 566</b>

<sup>1</sup> 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 5-7, Financing information on page 9, Seasonal effects are disclosed on page 11 and Events after the end of the quarter on page 13.



## Key figures

	Jan-Jun		Full year
	2016	2015	2015
<b>Margins</b>			
EBITDA, %	17	18	18
Operating margin, %	11	11	12
<b>Return (rolling 12 months)</b>			
Return on capital employed, %	14	12	15
Return on equity, %	15	15	16
<b>Capital structure at end of period</b>			
Capital employed, SEKm	17 435	17 774	17 397
Working capital, SEKm	2 468	2 636	2 243
Equity, SEKm	12 232	10 978	12 418
Interest-bearing net debt, SEKm	5 204	6 798	4 979
Net debt/equity ratio	0.43	0.62	0.40
Interest-bearing net debt / EBITDA, multiple	1.32	1.92	1.24
<b>Key figures per share</b>			
Earnings per share, SEK	4.26	4.30	8.75
Dividend (for the financial year) per share, SEK	-	-	4.25
<b>Other key figures</b>			
Working capital as percentage of net sales, %	11	11	10
Gross investments, SEKm	577	744	1 710
Average number of employees	4 235	4 255	4 223

## RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES KEY FIGURES

	Jan-Jun		Full year
	2016	2015	2015
<b>Adjusted EBITDA, SEKm</b>			
Operating profit	1 157	1 240	2 586
Depreciation and impairment of non-current assets	719	708	1 417
Items affecting comparability	25	-	-342
<b>Adjusted EBITDA</b>	<b>1 901</b>	<b>1 948</b>	<b>3 661</b>
<b>Working capital, SEKm</b>			
	30 June 2016	30 June 2015	31 Dec 2015
Inventories	2 950	3 024	2 842
Accounts receivables	2 625	2 630	2 512
Other operating receivables	789	705	1 004
Accounts payables	-2 556	-2 551	-2 679
Other operating liabilities (excl provisions)	-1 415	-1 380	-1 463
Tax liabilities	75	132	27
Current assets held for sale	-	141	-
Other operating liabilities held for sale	-	-65	-
<b>Working capital</b>	<b>2 468</b>	<b>2 636</b>	<b>2 243</b>
<b>Interest-bearing net debt, SEKm</b>			
	30 June 2016	30 June 2015	31 Dec 2015
Interest bearing provisions	768	825	783
Interest bearing non-current liabilities	3 009	3 746	3 027
Interest bearing current liabilities	1 988	2 445	1 368
Interest-bearing non-current assets	-10	-4	-11
Cash and Cash equivalents	-551	-214	-188
<b>Interest-bearing net debt</b>	<b>5 204</b>	<b>6 798</b>	<b>4 979</b>

# Definitions

## **Adjusted EBITDA**

Operating profit before depreciation and amortisation adjusted for items affecting comparability.

## **Adjusted earnings per share**

Earnings per share adjusted for items affecting comparability after tax attributable to owners of the parent company.

## **Adjusted operating profit**

Operating profit adjusted for items affecting comparability.

## **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 and amortisation (EBITDA = Earnings before Interest, taxes, Depreciation and Amortisation)

## **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.

## **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 calculated per quarter.

## **Return on equity**

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company.

## **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 last three months, 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		Jan-Jun		Full Year
	Q2 -16	Q2 -15	2016	2015	2015
Operating income	184	-44	310	-60	256
Operating expenses	-143	-115	-262	-203	-441
<b>Operating profit/loss</b>	<b>41</b>	<b>-159</b>	<b>48</b>	<b>-263</b>	<b>-185</b>
Financial income and expenses	-32	1 473	-69	1 421	1 318
<b>Profit/Loss after financial income and expenses</b>	<b>9</b>	<b>1 314</b>	<b>-21</b>	<b>1 158</b>	<b>1 133</b>
Appropriations	-	-	-	-	707
<b>Profit/loss before tax</b>	<b>9</b>	<b>1 314</b>	<b>-21</b>	<b>1 158</b>	<b>1 840</b>
Taxes	-1	44	6	78	-69
<b>Net profit/loss for the period</b>	<b>8</b>	<b>1 358</b>	<b>-15</b>	<b>1 236</b>	<b>1 771</b>

### Summarised balance sheet

SEKm	30 Jun 2016	30 Jun 2015	31 Dec 2015
Non-current assets	10 748	10 734	10 764
Current assets	4 429	6 069	6 815
<b>Total assets</b>	<b>15 177</b>	<b>16 803</b>	<b>17 579</b>
Shareholders' equity	6 372	6 714	7 263
Untaxed reserves	660	355	660
Provisions	200	336	201
Interest-bearing liabilities	7 675	8 781	7 410
Other liabilities	270	617	2 045
<b>Total equity and liabilities</b>	<b>15 177</b>	<b>16 803</b>	<b>17 579</b>

## 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, Scandifibre Logistics 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	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Jan-Jun 2016	Jan-Jun 2015
Packaging Paper	2 085	2 087	2 020	2 174	2 176	2 182	1 959	2 058	4 172	4 358
Consumer Board	2 028	2 024	1 933	2 006	2 044	2 023	1 768	1 897	4 052	4 067
Corrugated Solutions	839	879	880	926	722	801	816	773	1 718	1 523
Other units	421	363	387	368	596	661	609	487	784	1 257
Currency hedging, etc.	66	4	-7	4	-49	-33	-28	-24	70	-82
<b>Total Group</b>	<b>5 439</b>	<b>5 357</b>	<b>5 213</b>	<b>5 478</b>	<b>5 489</b>	<b>5 634</b>	<b>5 124</b>	<b>5 191</b>	<b>10 796</b>	<b>11 123</b>

### EBITDA quarterly per business area and for the group

SEKm	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Jan-Jun 2016	Jan-Jun 2015
Packaging Paper	266	358	252	406	363	435	303	277	624	798
Consumer Board	479	484	295	410	486	466	354	409	963	952
Corrugated Solutions	130	217	204	249	94	177	162	161	347	271
Other units	14	15	15	365	90	76	49	62	29	166
Currency hedging, etc.	66	4	-7	4	-49	-33	-28	-24	70	-82
Group staff and eliminations	-96	-61	-89	-48	-87	-71	-31	-93	-157	-157
<b>Total Group</b>	<b>859</b>	<b>1 017</b>	<b>670</b>	<b>1 386</b>	<b>897</b>	<b>1 050</b>	<b>809</b>	<b>792</b>	<b>1 876</b>	<b>1 948</b>

### EBITDA<sup>1</sup> quarterly per business area and for the group

SEKm	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Jan-Jun 2016	Jan-Jun 2015
Packaging Paper	415	358	370	458	422	435	308	424	773	857
Consumer Board	495	484	472	526	500	466	471	520	979	966
Corrugated Solutions	209	217	219	260	191	177	175	181	426	368
Other units	14	15	16	365	90	76	49	62	29	166
Currency hedging, etc.	66	4	-7	-339	-49	-33	-28	-24	70	-82
Group staff and eliminations	-71	-61	-89	-48	-87	-71	-31	-76	-132	-157
<b>Total Group</b>	<b>1 128</b>	<b>1 017</b>	<b>981</b>	<b>1 222</b>	<b>1 067</b>	<b>1 050</b>	<b>944</b>	<b>1 087</b>	<b>2 145</b>	<b>2 118</b>
Costs for maint. shutdowns	-244	-	-310	-179	-170	-	-135	-227	-244	-170
Items affecting comparability	-25	-	-1	343	-	-	-	-68	-25	-
<b>EBITDA</b>	<b>859</b>	<b>1 017</b>	<b>670</b>	<b>1 386</b>	<b>897</b>	<b>1 050</b>	<b>809</b>	<b>792</b>	<b>1 876</b>	<b>1 948</b>

### EBITDA margin<sup>1</sup> quarterly per business area and for the group

%	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Jan-Jun 2016	Jan-Jun 2015
Packaging Paper	20	17	18	21	19	20	16	21	19	20
Consumer Board	24	24	24	26	24	23	27	27	24	24
Corrugated Solutions	25	25	25	28	26	22	21	23	25	24
<b>Group</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>21</b>	<b>20</b>	<b>19</b>

### Sales volumes quarterly per business area and for the group

ktonne	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15	Q1 -15	Q4 -14	Q3 -14	Jan-Jun 2016	Jan-Jun 2015
Packaging Paper	295	295	281	294	288	300	275	288	590	588
Consumer Board	268	265	257	262	274	272	235	252	533	546
Corrugated Solutions	129	138	132	139	106	129	134	127	267	235
<b>Total Group</b>	<b>692</b>	<b>698</b>	<b>670</b>	<b>695</b>	<b>668</b>	<b>701</b>	<b>644</b>	<b>667</b>	<b>1 390</b>	<b>1 369</b>

<sup>1</sup> EBITDA and margin are adjusted for the effects of periodical maintenance shutdowns and for items affecting comparability.

# 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](http://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



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