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21 July 2011

## **Another strong quarter**

CEO Per Lindberg comments on the development during Q2 2011:

“Billerud’s earnings remain strong. We have an operating margin of 12%, a cash flow from operating activities of 20% of sales and a return on equity of 19%. The SEK 57 million lower operating profit compared with the first quarter mainly corresponds to costs for the periodic maintenance shutdown in Skärblacka which was carried out in the second quarter. So underlying earnings for the second quarter were just as strong as in the previous quarter. The market situation remained favourable with a good balance in the markets. The very strong order books and sold volumes during the first quarter are now down at more normal levels, however. Price increases announced in the first quarter have had an effect and the increases implemented compensated for higher costs and the stronger Swedish krona.

Efforts to strengthen Billerud’s competence and understanding of end customers’ requirements for packaging and packaging solutions are ongoing. During the second quarter we accepted ten new, young trainees to our trainee programme which was started last year. They start their training in the autumn together with a number of internally recruited talents. Our further development of the product FibreForm<sup>®</sup> has led to a number of new customer contacts with whom we are working to develop new packaging solutions.

Billerud is strengthening its position within the packaging industry by investing in a minority stake in PACCESS Packaging, a US based company with numerous operations throughout Asia. This investment marks an additional step for Billerud to become a more customer- and solution-driven company. We see that packaging optimisation with regard to function, material, design and sustainability are becoming increasingly important to brand owners. With Billerud’s expertise with renewable materials and PACCESS Packaging’s established customer base, broad knowledge of packaging development and deep experience in Asia, we will create a strong platform for future growth. We will immediately expand our position in Asia, a key growth market.

I see good opportunities for a continued positive development for Billerud, in both the short term and going forward.”

Solna, 21 July 2011  
Billerud AB (publ)

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The information is such that Billerud is obligated to publish under the Swedish Securities Market Act. Submitted for publication at 10.32 CET on 21 July 2011.

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