



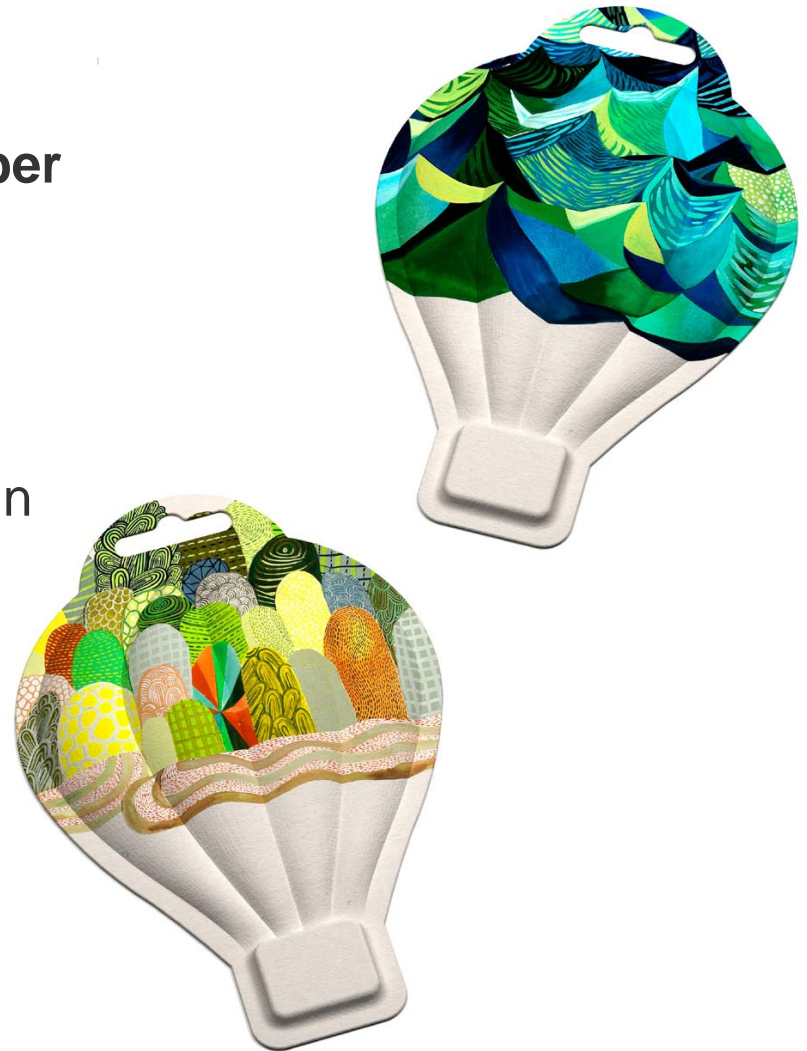
## **BILLERUD – the innovative packaging paper company**

Handelsbanken Basic Industry Seminar – March 11, 2010



## BILLERUD AT A GLANCE

- **Niche player** within **packaging paper**
- Strong focus on **innovation**
- Sales of **SEK ~8 billion**
- **3 integrated pulp and paper mills** in Sweden and **1 paper mill** in UK
- **2,300** employees in ten countries
- Europe accounts for **~80%** of sales
- **11 sales offices** globally





# PACKAGING PAPER SUPPLIER

~80%

**Packaging & Speciality Paper (PSP)**



**Packaging Boards (PB)**



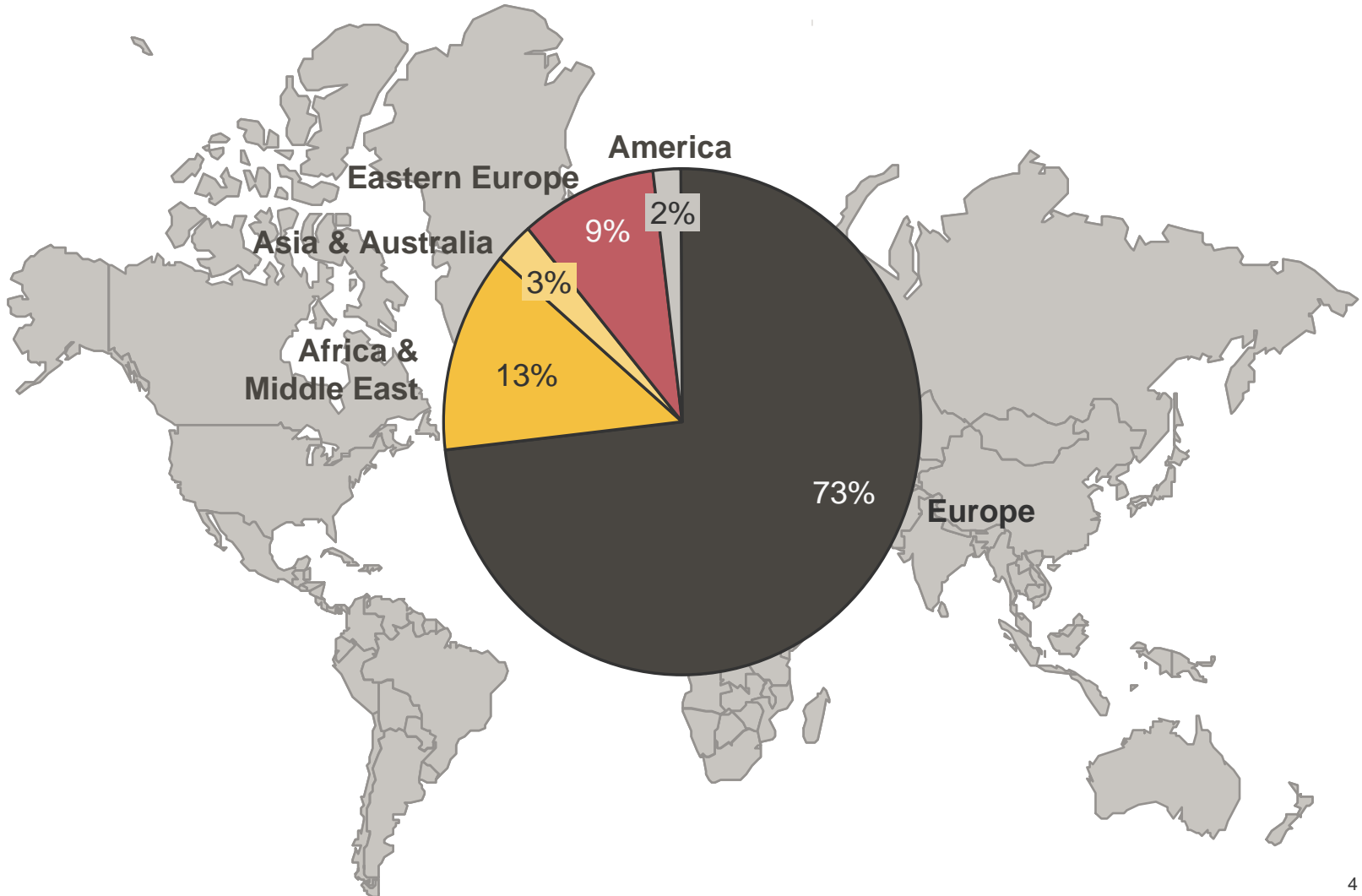
~20%

**Market Pulp**





# SALES SPLIT PER **GEOGRAPHIC AREA**





# EXPOSURE TO END USE AREAS – PSP



**RELEASE LINER**



**FLEXIBLE PACKAGING**



**CARRIER BAGS**



**FORM & FILL**



**MEDICAL PACKAGING**



**SACKS**



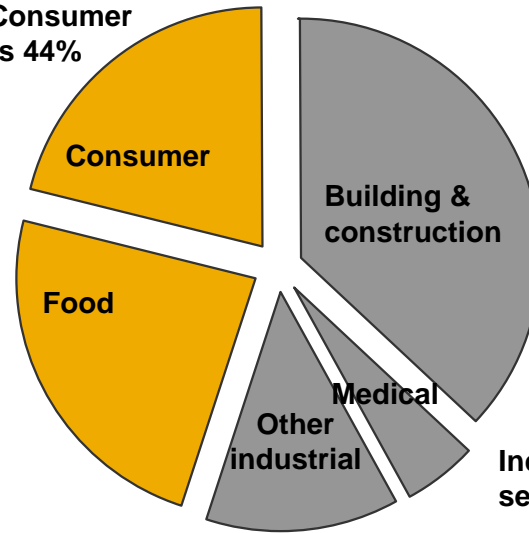
**PROTECTIVE WRAPPING**



**INTERLEAVING**

## Sales volumes breakdown

Food & Consumer segments 44%



Industrial segments 56%



# EXPOSURE TO **END USE AREAS** – PB



**PROMOTION PACKAGING**



**FOOD PACKAGING**

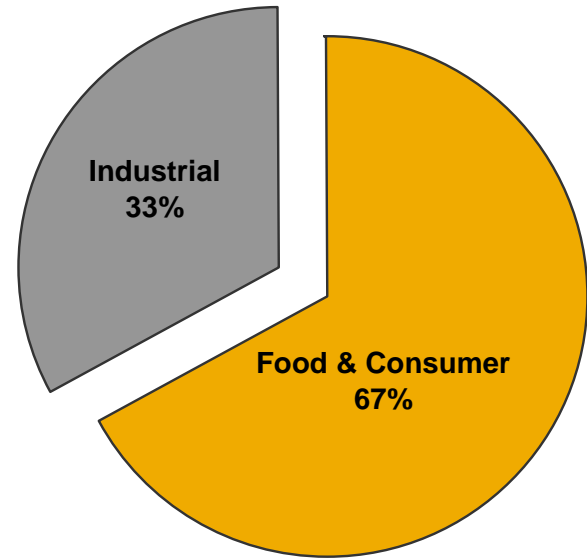


**LIQUID PACKAGING**



**FRUIT AND VEGETABLES**

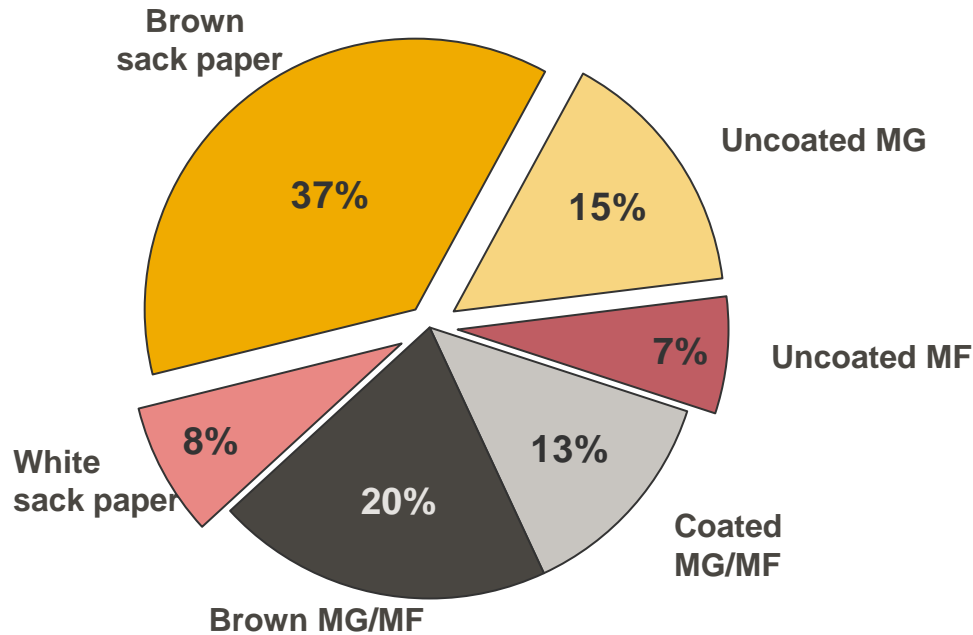
## Sales volumes breakdown



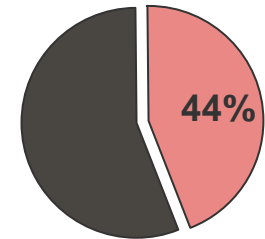


# EUROPEAN LEADING NICHE PRODUCER – PSP

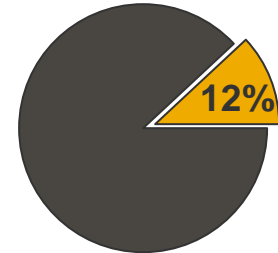
Total European market ~ 3,5 million tonnes



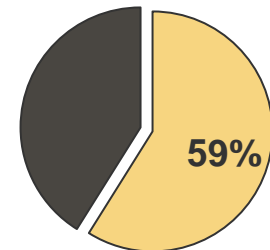
White sack paper – market leading



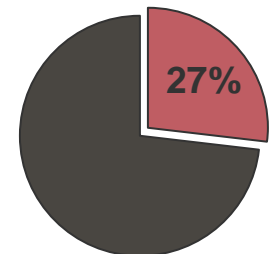
Brown sack paper



Uncoated MG – market leading



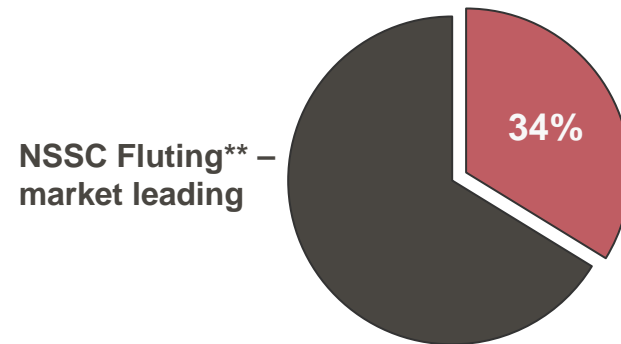
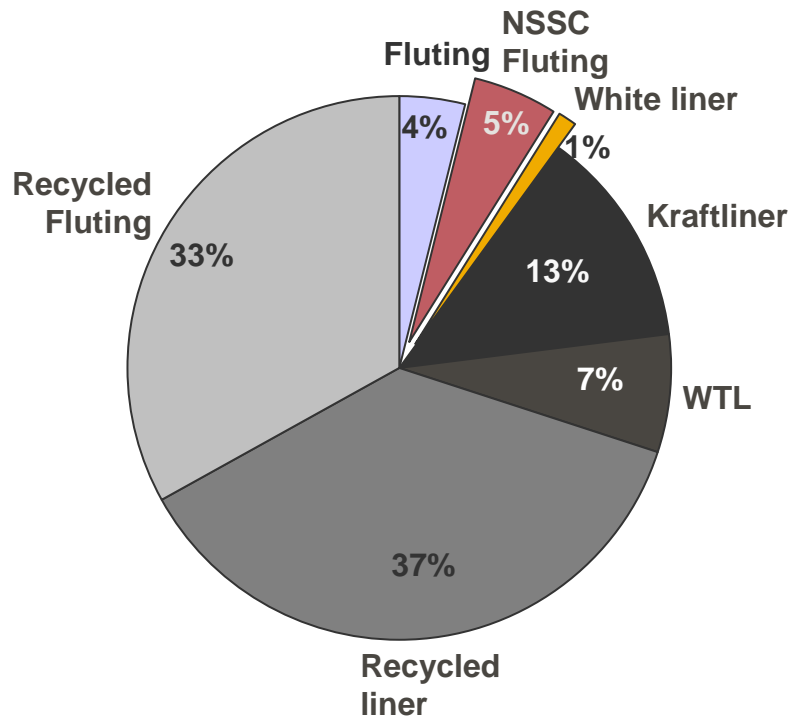
Uncoated MF – second largest market share



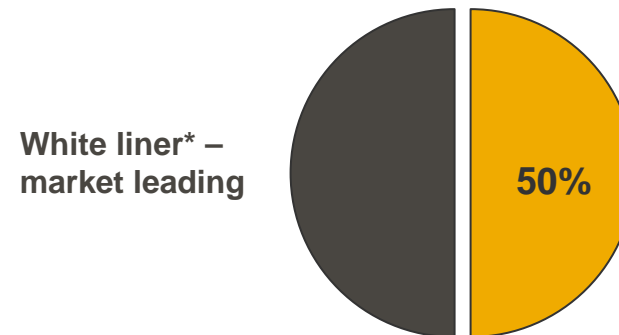


# EUROPEAN LEADING NICHE PRODUCER – PB

Total European market ~ 23 million tonnes



Source: CEPI Containerboard 2008



Source: Billerud estimates

\*Low grammage

\*\*100% virgin fibre



# STRATEGY – SOLID PLATFORM TO SECURE GROWTH

Growth



## Operational Excellence

- Cost savings of MSEK 250 achieved
- Continued focus on cost efficiency

## Sales & Business Development

- Drive innovation
- Increase customer value-added
- Focus on solutions



# STRATEGIC INITIATIVES



## Focus area

### FRESH FOOD

## Driver/Challenge

- Food worth of EUR 100bn (10%) in Europe is destroyed, much due to inadequate packaging

## Initiatives

- Fresh Services
- Box Lab



### FOOD & CONSUMER PACKAGING

- ~15% of the European food packaging market is paper
- Environmental awareness an important driver

- Pack Lab
- Nine
- Sustainable Packaging Solutions
- Tenova



### SACK SOLUTIONS

- Increase in demand primarily in emerging markets
  - Growth >10% in Asia

- Sack Lab
- Total Customer Value
- Technical Consulting
- Training & Seminars

# END-CUSTOMER FOCUS



## Consumers



New unit Sustainable Packaging Solutions established year-end 09/10 focusing on approaching end users such as brand owners, goods producers and retailers with packaging solutions

- Increased focus on sustainability
- 87% of European consumers would choose paper if they could choose between paper and plastic packaging\*

## STRATEGIC FOCUS ON INNOVATION

- Fibre Form
  - » Unique elasticity and formability
  - » Simplifies conversion from plastic to paper since can be run on existing machines
- Tenova
  - » Bioplastics can replace petroleum based plastics in packaging



**Billerud's ambition is to become the leader in renewable packaging solutions**



## A CHALLENGING YEAR 2009



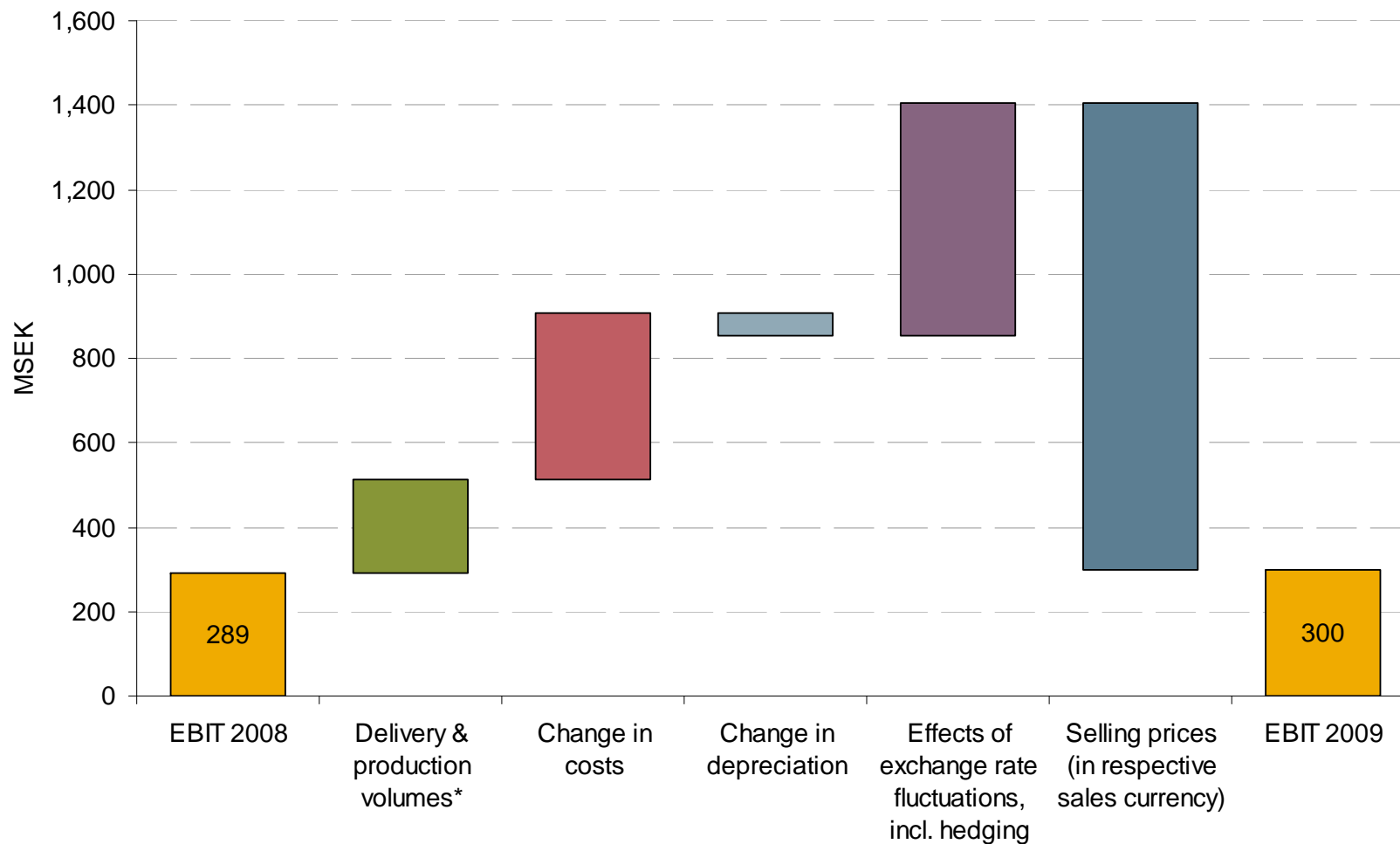


## KEY FIGURES 2009 vs. 2008

	2009	2008	vs. 2008
Deliveries ('000 tonnes)	1,312	1,278	+3%
Net sales, MSEK	7,760	7,792	0%
Operating profit, MSEK	300	289	+4%
Operating margin	4%	4%	0
Profit/share, SEK	2.04	2.07	-1%



## EBIT BRIDGE 2009 vs. 2008



\*Including product mix.

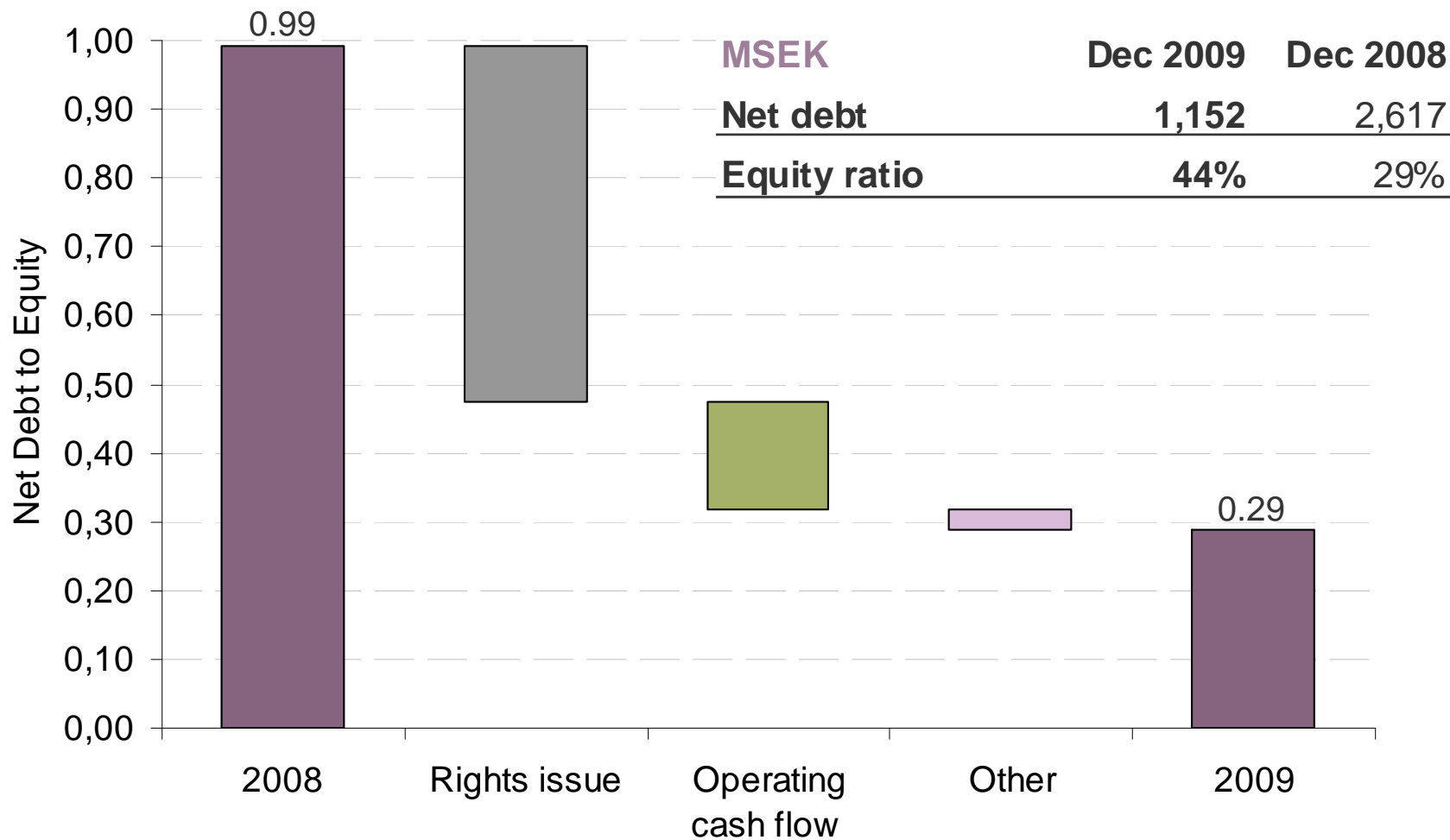


# RESTORED EBIT MARGIN





# STRONG BALANCE SHEET



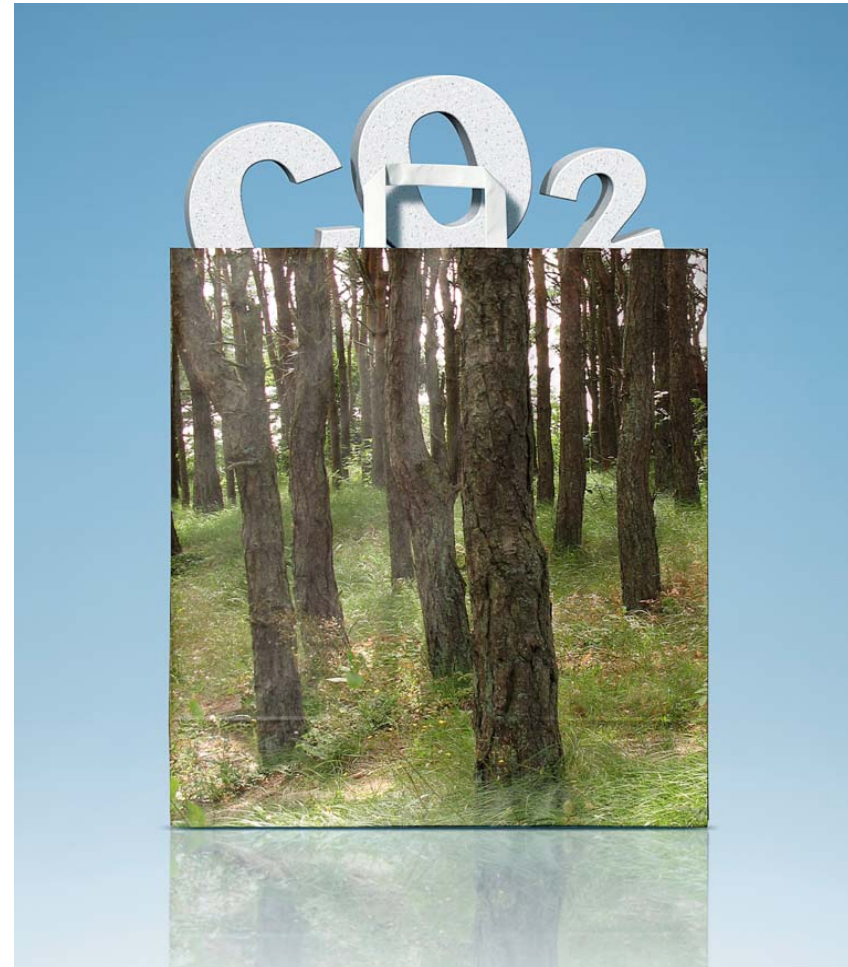
## OUTLOOK

- 2010 started with continued good demand within all segments
- Price increases have been implemented within all product areas and efforts to restore prices from the low levels of 2009 will continue in 2010
- Cost savings of SEK 250 million have been achieved and there will be a continued focus on costs during 2010



## KEY MESSAGES

- Leading market niche positions
- Strong customer focus
- Ambition to drive innovation
- Packaging solutions a new offering
- Integrated and cost-efficient pulp and paper mills
- Environmental concern impacts demand





## Q&A

