



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

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**Per Lindberg, CEO**



## **BILLERUD AT A GLANCE**

- Niche player within packaging paper
- Strong market positions
- Sales of SEK ~8 billion
- Integrated and cost-efficient production
- Owns no forest land of its own
- Ambition to drive innovation
- Europe accounts for ~75% of sales





# PACKAGING PAPER SUPPLIER...

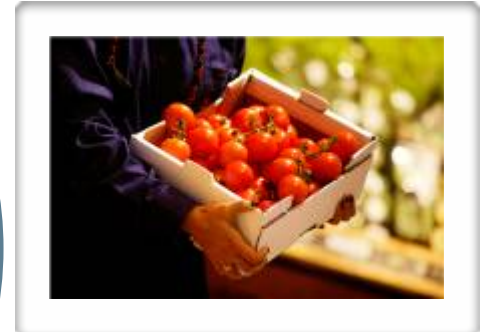
## PACKAGING & SPECIALITY PAPER

Kraft & Sack Paper



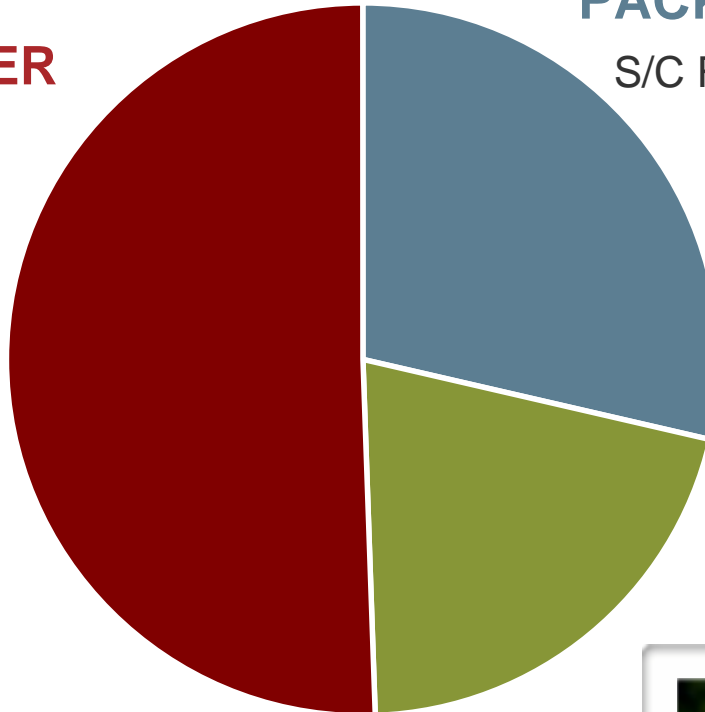
## PACKAGING BOARDS

S/C Fluting, Liner, Liquid Board



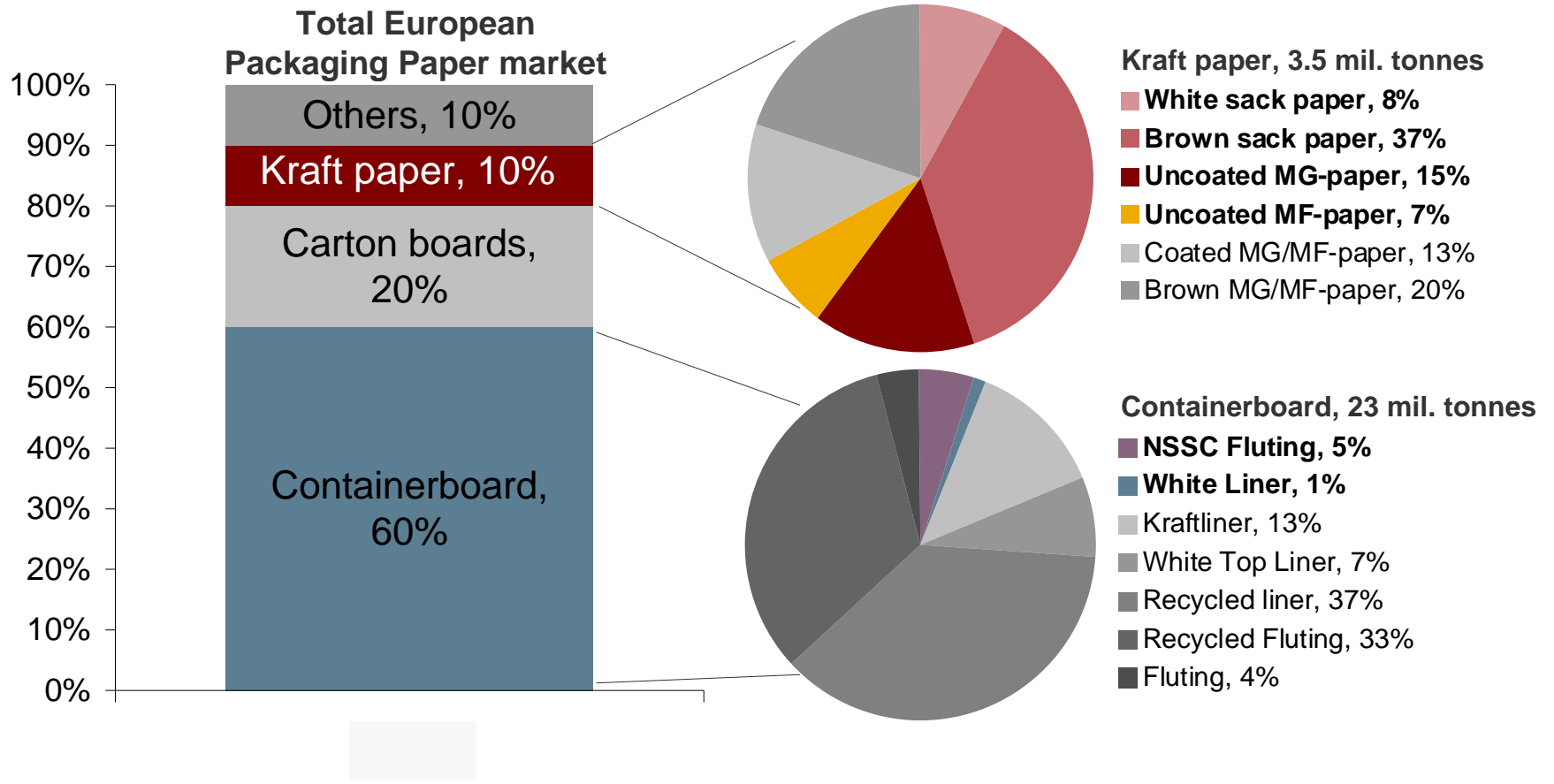
## MARKET PULP

Nordic Bleached  
Softwood Kraft Pulp









# ...WITH NICHE FOCUS...





## ... AND STRONG MARKET POSITIONS

	PRODUCT	MARKET SHARE	MARKET POSITION	
Kraft paper	White sack paper	46%	No 1	
	Brown sack paper	10%	No 1 non-integrated player	
	Uncoated MG	54%	No 1	
	Uncoated MF	28%	No 2	
Container-board	NSSC Fluting*	42%	No 1	
	White liner**	70%	No 1	

Note: Market share and market position are for the European market.

Source: Eurokraft 2008 and 2009, CEPI Containerboard 2009, Billerud. \*100% virgin fibre. \*\*Low grammage.



# NOT A DAY WITHOUT **PROGRESS!**

NULLA DIES SINE LINEA

**Growth**



## **Operational Excellence**

- Cost savings of MSEK 750 achieved 2005-2009
- Continued focus on cost efficiency
- Working capital efficiency

## **Sales & Business Development**

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



## FOCUS AREA 1: FRESH FOOD





# FOCUS AREA 2: FOOD & CONSUMER PACKAGING



# END-CUSTOMER FOCUS

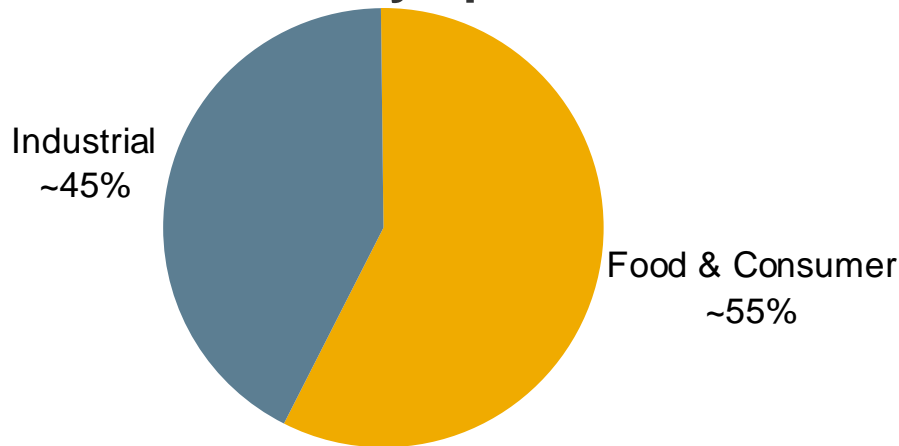
**BILLERUD**



## Consumers



## Delivery split



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

\*Survey IPSOS 7970 people in 7 European countries

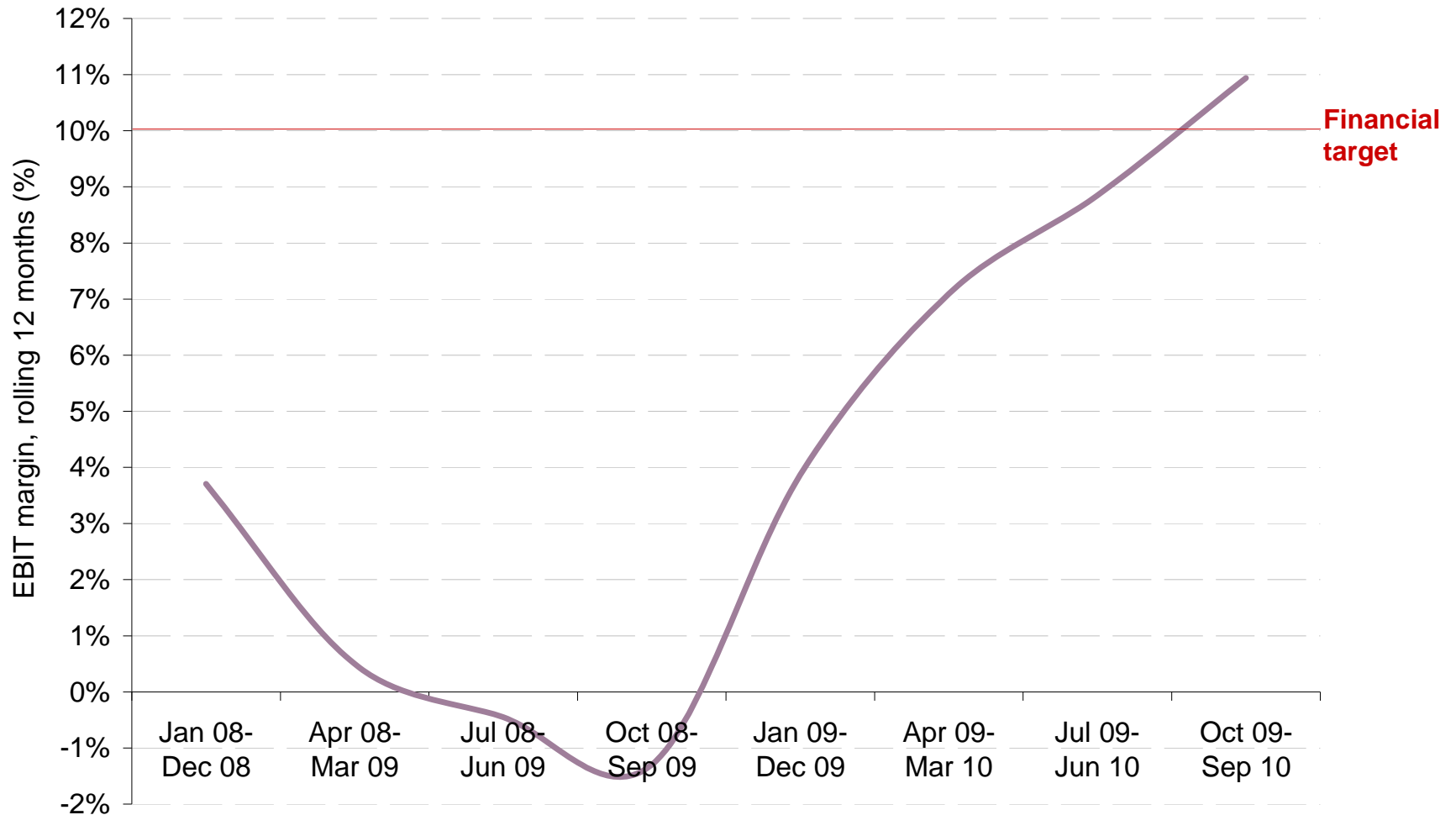


# FOCUS AREA 3: **SACK SOLUTIONS**





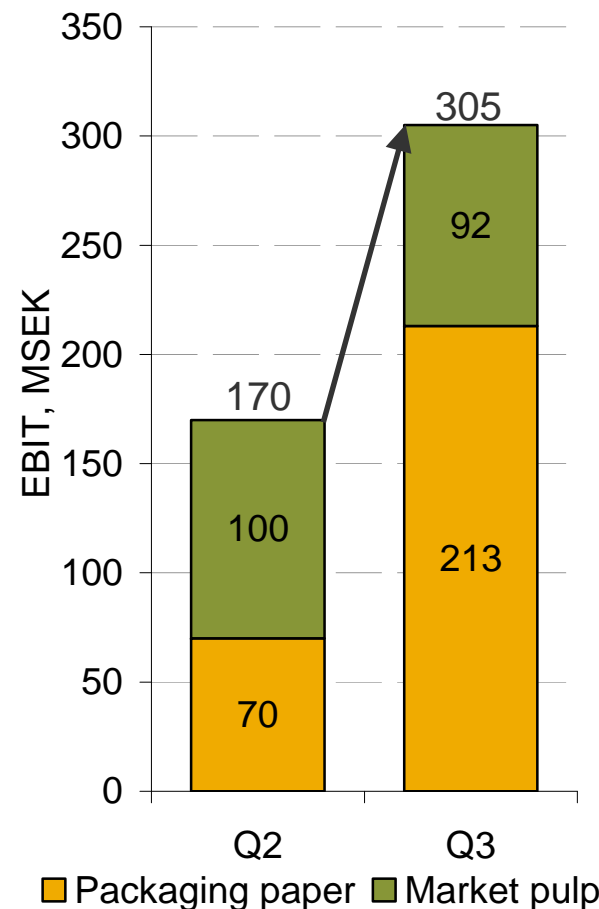
# STRONG MARGIN RECOVERY





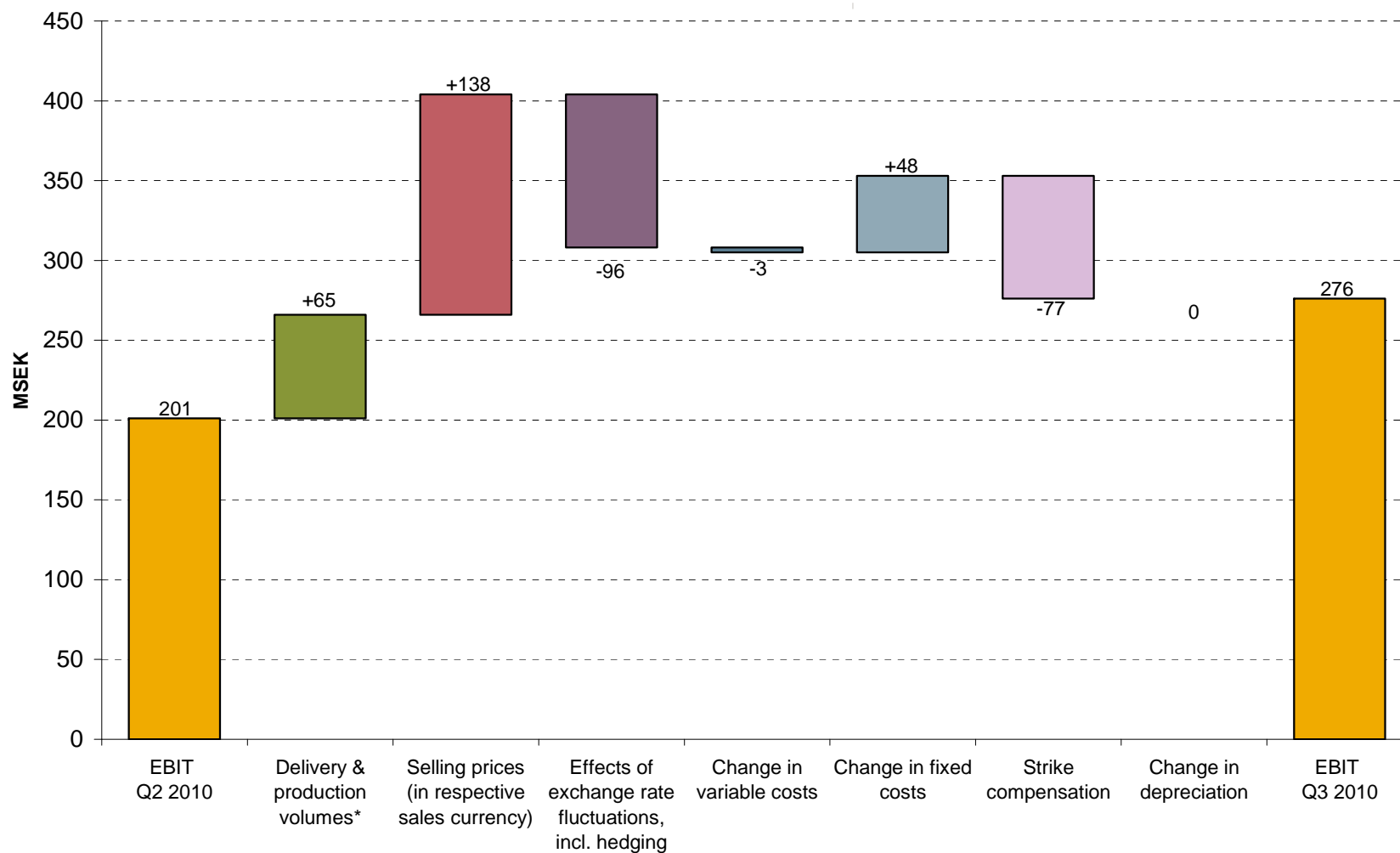
## STRONG UNDERLYING RESULTS

EBIT, MSEK	Q2 2010	Q3 2010
Packaging paper	70	213
Market pulp	100	92
<b>Total Business Areas</b>	<b>170</b>	<b>305</b>
Currency hedging and other, etc	31	-29
<b>Group EBIT</b>	<b>201</b>	<b>276</b>





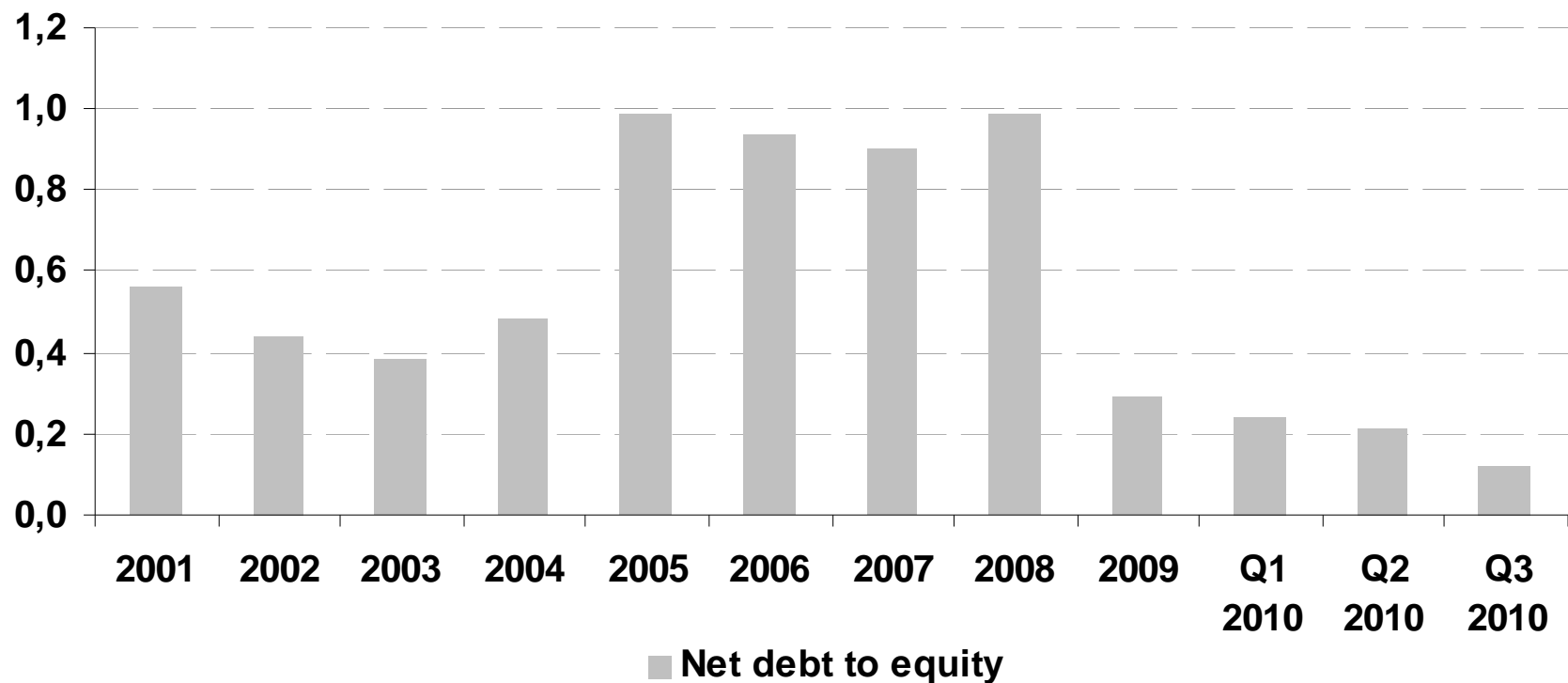
## EBIT BRIDGE Q3 2010 vs. Q2 2010



\* Includes product mix.



## STRONG BALANCE SHEET



## OUTLOOK

- The order situation remains good or very good within most of Billerud's packaging paper areas, which should enable a continued positive development within Billerud's segments for packaging paper and packaging paper solutions
- Further price increases for some of Billerud's packaging paper products have been announced for the fourth quarter
- Lower market prices and a weaker USD will have a negative impact on the operating margin for the Market Pulp business area



## KEY MESSAGES

- Niche player within packaging paper
- Strong market positions
- Integrated and cost-efficient production
- Attractive growth opportunities
  - » Environmental concern impacts demand





## Q&A

