



BILLERUDKORSNÄS

INTERIM REPORT JANUARY-JUNE 2014



SEKm	Q2 2014	Q1 2014	Δ, %	Q2 2013	Δ, %	Jan-Jun 2014	Jan-Jun 2013	Δ, %
Net sales	5 128	5 410	-5%	5 005	2%	10 538	10 186	3%
EBITDA	793	885	-10%	628	26%	1 678	1 355	24%
Adjusted operating profit	467	555	-16%	324	44%	1 022	762	34%
Adjusted operating margin	9%	10%	-1	6%	3	10%	7%	3
Operating profit/loss	450	541	-17%	262	72%	991	625	59%
Net profit/loss for the period	292	369	-21%	169	73%	661	397	66%
Earnings per share, SEK	1.39	1.75	-21%	0.81	72%	3.14	1.88	67%
Operating cash flow	433	385	12%	104	316%	818	381	115%

SEK 5 128m

Net sales

SEK 467m

Adjusted
operating profit

9%

Adjusted
operating margin

Second quarter 2014

- Net sales increased with 2% and adjusted operating profit increased with 44% compared to the second quarter 2013. Improvements were due to improved product mix and volumes, as well as more favourable exchange rates and synergies.
- Compared to the previous quarter net sales and adjusted operating profit decreased due to periodic maintenance shutdowns.
- During the quarter the group has restructured the debt portfolio securing a healthy debt profile with improved margins.

January-June 2014 compared with the same period in 2013

- Net sales has increased with 3% due to mix, volume and more favourable currency exchange rates.
- The adjusted operating profit has improved with SEK 260 million due to synergies, volume, mix and a weakened SEK.
- Synergies of approximately SEK 154 million have impacted the first six months compared to the same period last year.

Outlook

- Demand and order situation is expected to remain stable during the third quarter 2014 for all business areas.
- Average prices in local currency are anticipated to stay on current level for the third quarter 2014 for business areas Packaging Paper and Consumer Board. Meanwhile the increased gap between recovered fibre and primary fibre grades is leading to an increased pressure on primary fibre based prices within the business area Containerboard. Due to increased production capacity in Sweden from converted fine paper machines especially white kraftliner prices are facing decreases.
- Wood prices are expected to stay on current level for the second half of 2014.
- The target of approximately SEK 530 million in annual synergies and savings is unchanged, and is expected to be reached during 2014. Estimated non-recurring costs for realising the synergies are increased from approximately SEK 200 million to approximately SEK 225 million.

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SEK 5 128m

Net sales Q2 2014

9%

Adjusted operating margin
Q2 2014



Per Lindberg
President and CEO, BillerudKorsnäs

COMMENTS BY CEO PER LINDBERG

STABLE SECOND-QUARTER RESULTS

"We deliver a strong and stable result for the second quarter. Our adjusted operating profit reached SEK 467 million and our operating margin was 9%. Overall, I am pleased with our financial performance. The market place has been quite good with solid demand and stable prices within all business areas. Business area Packaging Paper has managed to keep the prices stable during the quarter in spite of increased capacity on the market, and has increased prices on new orders within the sack segments thanks to a seasonally strong demand. Within business area Consumer Board we have launched the next generation of Cartonboard products on the market, which has been very well received by customers. Business area Containerboard has delivered a stable result for the second quarter but is beginning to feel a real pressure from the increased capacity on the market.

We continue with our ambition "Challenging conventional packaging for a sustainable future" with the aim of increasing the level of innovation and leadership. During the quarter we have received confirmation in several areas that we are right on target with our mission. Several countries are putting regulations in place for reducing the use of plastics in packaging. We offer sustainable alternatives to several plastic applications, and sustainability is our top priority. We have received recognition from both EcoVadis and "oekom research", meaning that the company is acknowledged for its sustainability work. During the quarter, we have also made a decision to further improve the environmental profile of the company through a major investment in Gävle. Following our ambition to increase innovation and product leadership, we have during the quarter decided to invest in next generation fluting at Gruvön, enhancing both product performance as well as machine capacity. On the more innovative side, BillerudKorsnäs and Berghs School of Communication are giving Spotify a physical form. It is this year's edition of a packaging design contest for students at Berghs and this is the first time an online brand will be physically packaged.

During the first half of 2014 we have delivered an operating margin of 10%, and a growth in sales volumes over last year with 4%, in line with our profitable growth targets and our long term strategy. The integration work has progressed as planned and as already communicated, the realisation of synergies is happening faster than first planned. All employees have done a fantastic work all across the company, in numerous different projects that constitutes the integration program. However, the pace of integration in combination with synergy-related incentives will increase the non-recurring costs for realising the synergies with approximately SEK 25 million for the year. It is my belief that this is money well spent."

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, 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 for all business areas continued to be stable. Prices in local currency for the packaging materials segments were unchanged compared to the previous quarter.

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



SALES AND RESULTS

SECOND QUARTER 2014 COMPARED WITH FIRST QUARTER IN 2014

Net sales amounted to SEK 5 128 million, a 5% decrease compared to previous quarter due to lower volumes caused by planned maintenance shutdowns.

Adjusted operating profit reached SEK 467 million, compared with SEK 555 million during previous quarter. The adjusted operating margin was 9% (10%).

Operating profit was SEK 450 million and net financial items amounted to SEK -70 million. Profit before tax was SEK 380 million and estimated tax was SEK -88 million. Net profit reached SEK 292 million.

5% decrease in net sales compared to previous quarter due to periodic maintenance shutdowns.

CHANGE IN ADJUSTED OPERATING PROFIT COMPARED TO PREVIOUS QUARTER

SEKm	
Adjusted operating profit Q1 -14	555
Sales and production volumes, incl. product mix	-69
Selling prices (in respective sales currency)	37
Change in variable costs	7
Change in fixed costs	-122
Change in depreciation	1
Effects of exchange rate fluctuations, incl. hedging*	55
Reversal of change in non-recurring items	3
Adjusted operating profit Q2 -14	467

* Effects of exchange rate fluctuations totalling SEK 55 million comprise the following components: change in spot rates SEK 55 million, currency hedging SEK -56 million and currency effects from revaluation of trade receivables and payments from customers SEK 56 million.

The adjusted operating profit decreased with SEK 88 million mainly due to higher fixed costs as a consequence of the planned maintenance shutdowns at Gruvön and Pietarsaari production units. The periodic maintenance shutdowns impacted the results in the quarter with approximately SEK 143 million. During the quarter profits were also negatively impacted by unplanned production disturbances in connection with the start-up of the new fibre-line in Gruvön.

The decrease in profit level is attributable to higher fixed costs and lower volumes due to planned maintenance shutdowns.

Improved sales prices in local currencies impacted profit level with SEK 37 million. The effect of currency exchange rate changes was positive, SEK 55 million.

SECOND QUARTER 2014 COMPARED WITH SECOND QUARTER IN 2013

Compared to the second quarter previous year, net sales increased with 2%. The improvements were due to improved product mix and volumes, as well as more favourable exchange rates. Adjusted operating profit increased with 44% and improved from SEK 324 million to SEK 467 million. The increase was attributable to improved product mix and volumes, synergies and more favourable exchange rates.



JANUARY-JUNE 2014 COMPARED WITH THE SAME PERIOD IN 2013

Net sales increased with 3% to SEK 10 538 million. Adjusted operating profit increased with 34 % to SEK 1 022 million.

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

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

SEKm	
Adjusted operating profit Jan - Jun -13	762¹
Sales and production volumes, incl. product mix	110
Selling prices (in respective sales currency)	-90
Change in variable costs	75
Change in fixed costs	3
Change in depreciation	43
Effects of exchange rate fluctuations, incl. hedging*	225
Reversal of change in non-recurring items	-106
Adjusted operating profit Jan - Jun -14	1 022

* Effects of exchange rate fluctuations totalling SEK 225 million comprise the following components: change in spot rates SEK 265 million, currency hedging SEK -89 million and currency effects from revaluation of trade receivables and payments from customers SEK 49 million.

Adjusted operating profit has improved with SEK 260 million due to volume, mix and more favourable exchanges rates.

Lower sales prices in local currency that negatively impacted operating profit with SEK 90 million was offset by lower variable costs. Lower variable costs are due to lower energy and electricity costs but also driven by synergy realisation within purchasing and logistics.

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 capitalized and written off until the next planned maintenance shutdown. As of 1 January 2013 all costs associated with maintenance stops 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.



SYNERGY REALISATION

Synergies, equivalent to an annual pace of approximately SEK 490 million were realised by the end of June. During the second quarter, synergies amounting to approximately SEK 120 million were realised. Non-recurring integration costs of SEK 17 million impacted the results for the quarter. Accumulated non-recurring costs from January to June 2014 amounted to SEK 31 million and accumulated NRI-costs from the start of the integration program amounted to SEK 165 million.

Estimated non-recurring costs for realising the synergies have been increased from SEK 200 million to approximately SEK 225 million. The remaining SEK 60 million of non-recurring costs are expected to impact earnings during the second half of 2014. The synergy target of SEK 530 million is expected to be reached during 2014, and hence the integration project will be finalised ahead of originally anticipated time.

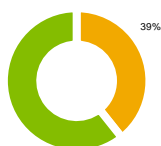
SYNERGY REALISATION

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEKm	2013	2013	2013	2013	2014	2014	2014*	2014*
Annual pace at end of resp period	155	260	300	370	445	490	525	530
Quarterly synergies**	32	44	79	90	110	120	130	131

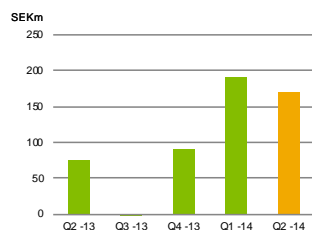
* Expected annual synergy realisation pace and expected quarterly synergies.

** Synergies and savings realised in the quarter, compared to if the synergy and savings programme had not been initiated.

SHARE OF GROUP'S NET SALES Q2 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			Jan-Jun		Full year
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Net sales	2 016	2 068	1 846	4 084	3 701	7 279
Net operating expenses, other	-1 728	-1 763	-1 649	-3 491	-3 267	-6 527
EBITDA	288	305	197	593	434	752
Depreciation and impairment	-119	-114	-121	-233	-240	-468
Operating profit/loss	169	191	76	360	194	284
Operating margin, %	8%	9%	4%	9%	5%	4%
Sales volumes, ktonnes	294	310	273	604	548	1 080
whereof packaging paper	200	207	201	407	398	750

SECOND QUARTER

Net sales amounted to SEK 2 016 million, a decrease of 3 % compared with the previous quarter. The decrease was attributable to planned maintenance shutdowns at Gruvön and Pietarsaari production units.

Operating profit reached SEK 169 million, a decrease of SEK 22 million compared with the previous quarter. The decrease was due to planned maintenance shutdowns at Gruvön and Pietarsaari production units.

Compared with the second quarter in 2013, net sales increased with 9% and operating profit improved with SEK 93 million, as a result of higher sales volumes, favourable product mix and more favourable currency exchange rates. Sales also increased due to sales of external pulp from the production unit in Gävle that was not included in the business area in the second quarter of 2013.

JANUARY – JUNE

Operating profit increased with SEK 166 million compared to the same period last year. The increase was due to higher sales volumes of paper and additional sales of external pulp from Gävle production unit. Operating profit also improved due to lower production costs and more favourable currency exchange rates.

MARKET DEVELOPMENT

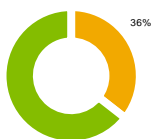
The order situation for kraft paper was on a normal level and for sack paper a stronger level than normal for the season. Prices in local currency were on the same level as previous quarter.

The market for NBSK pulp improved during the quarter. Prices in Europe rose to approximately USD 925 per tonne at the end of the quarter, compared with approximately USD 920 per tonne at the beginning of the quarter.

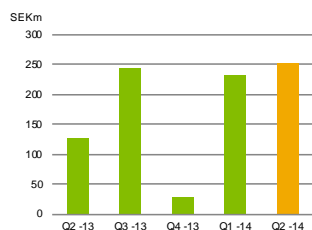
¹ The Packaging Paper business area buys and sells pulp at market price. From 1 August 2013 the business area's net exposure in market pulp is estimated to average approximately 150 ktonnes annually.



SHARE OF GROUP'S NET SALES Q2 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			Jan-Jun	Full year	
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Net sales	1 822	1 949	1 784	3 771	3 589	6 964
Net operating expenses, other	-1 403	-1 547	-1 487	-2 950	-2 961	-5 709
EBITDA	419	402	297	821	628	1 255
Depreciation and impairment	-166	-169	-171	-335	-344	-698
Operating profit/loss	253	233	126	486	284	557
Operating margin, %	14%	12%	7%	13%	8%	8%
Sales volumes, ktonnes	249	268	242	517	492	959

SECOND QUARTER

Net sales amounted to SEK 1 822 million in the second quarter, SEK 127 million lower than the previous quarter, which is within normal variations.

Operating profit amounted to SEK 253 million which was SEK 20 million higher than the previous quarter. Improvement is mainly due to a weaker SEK.

Compared with the second quarter in 2013, net sales grew with 2% and operating profit improved with SEK 127 million. This is primarily due to the fact that the second quarter 2013 was affected by a longer maintenance shutdown in Frövi.

JANUARY – JUNE

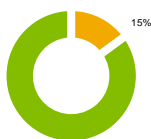
Compared with the first six months 2013, operating profit improved with SEK 202 million. This is primarily due to volume increase, but also because the first six months in 2013 was affected by a reduction of surplus value in the inventory of finished products acquired amounting to SEK 48 million.

MARKET DEVELOPMENT

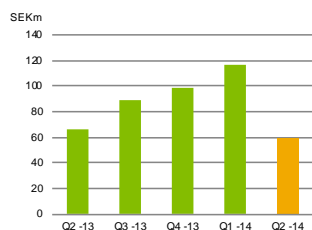
The order situation for liquid packaging board and cartonboard in the second quarter was stable and satisfactory with normal seasonal variances. Prices in local currency were stable, compared with the previous quarter.



SHARE OF GROUP'S NET SALES Q2 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.

SEKm	Quarter			Jan-Jun		Full year
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Net sales	767	792	758	1 559	1 555	3 073
Net operating expenses, other	-664	-630	-641	-1 294	-1 323	-2 560
EBITDA	103	162	117	265	232	513
Depreciation and impairment	-44	-45	-51	-89	-101	-195
Operating profit/loss	59	117	66	176	131	318
Operating margin, %	8%	15%	9%	11%	8%	10%
Sales volumes, ktonnes	128	139	142	267	292	552

SECOND QUARTER

Net sales amounted to SEK 767 million, which was below the level of the previous quarter. The decrease was mainly due to the maintenance stop at Gruvön production unit.

Operating profit reached SEK 59 million, a decrease from previous quarter with SEK 58 million mainly due to the planned maintenance shutdown at Gruvön which negatively impacted the quarter with 56 million.

Compared to the second quarter 2013, net sales grew with 1% in spite of the maintenance shutdown at Gruvön. Operating profit decreased slightly compared to the corresponding period last year, largely as a consequence of the maintenance shutdown which was partly offset by more favourable currency exchange rates and lower production costs.

JANUARI - JUNE

Compared to the same period in 2013, operating profit increased with SEK 45 million. This is mainly attributable to a weakened SEK but also due to lower production costs.

MARKET DEVELOPMENT

Order books remained stable except for order intake on white liner, which was weaker due to increased market competition. Prices in local currency were stable during the quarter, despite increased supply capacity and pressure from price reductions on recycled based paper.



SEK -59 million earnings impact for the quarter.

CURRENCY HEDGING

During the first half of 2014, net flows were hedged at EUR/SEK 8.74 (8.68), USD/SEK 6.63 (6.71) and GBP/SEK 10.35 (10.43). Currency hedging had an overall earnings impact of SEK -59 million (-33) for the second quarter and SEK -62 million (27) for the first half of 2014 (compared with if no hedging had taken place).

The outstanding forward exchange contracts at 30 June 2014 had a market value of SEK -86 million, whereof SEK -28 million is the part of the contracts matched by trade receivables that has affected earnings in the second quarter. Other contracts had a market value of SEK -58 million.

HEDGED PORTION OF CURRENCY FLOW FOR EUR, USD AND GBP AND EXCHANGE RATES AGAINST SEK (30 JUNE 2014)

Currency		Q3 -14	Q4 -14	Q1 -15	Q2 -15	Total 12 months
EUR	Share of net flow	100%	100%	36%	15%	62%
	Rate	9.00	9.06	9.01	9.10	9.03
USD	Share of net flow	94%	62%	36%	19%	53%
	Rate	6.59	6.60	6.61	6.67	6.60
GBP	Share of net flow	89%	60%	37%	16%	50%
	Rate	10.72	10.82	10.89	11.08	10.81
Market value of currency contracts*		-40	-28	-14	-4	-86

*On 30 June 2014.

100% of forecasted net flows in EUR hedged for 2014.

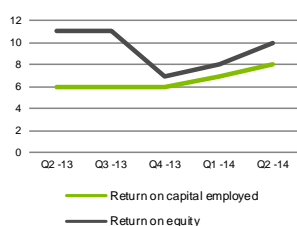
BillerudKorsnäs continuously hedges approximately 50% of forecasted net flows over the coming 12-month period, but in accordance with its financial policy is also able to extend currency hedging to 100% of net flows over the next 15 months. For 2014 the company has increased the hedge for EUR to 100% of forecasted net flows at an exchange rate of SEK 8.94. For the remainder of 2014, the average price for the EUR currency hedging is SEK 9.03.

SEK 303 million in gross investments for the quarter.

INVESTMENTS AND CAPITAL EMPLOYED

Gross investments amounted to SEK 303 million (457) for the second quarter and SEK 583 million (683) for the first half of 2014. Investments were approved during the quarter for environmental improvements at the production unit in Gävle amounting to approximately SEK 450 million and for quality and volume improvements in paper machine 6 in the production unit at Gruvön amounting to approximately SEK 180 million.

RETURN, % (ROLLING 12 MONTHS)



Capital employed at 30 June 2014 amounted to SEK 18 115 million (18 140). Return on capital employed, calculated over the past 12-month period, amounted to 8% (6%). Return on equity after tax was 10% (11%).

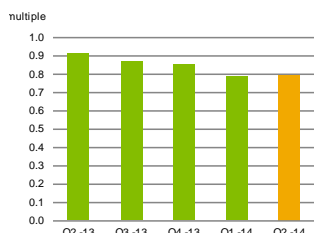


CASH FLOW AND FINANCIAL POSITION

SUMMARY CASH FLOW STATEMENT

SEKm	Quarter		Jan-Jun	
	Q2 -14	Q2 -13	2014	2013
Operating surplus, etc.	761	638	1 614	1 480
Change in working capital, etc.	128	15	102	-149
Net financial items, taxes, etc.	-153	-93	-315	-277
Cash flow from operating activities	736	560	1 401	1 054
Current net investments	-303	-456	-583	-673
Operating cash flow	433	104	818	381

DEBT/EQUITY RATIO
AT THE END OF THE QUARTER



Operating cash flow during the first half of 2014 amounted to SEK 818 million (381). The increased operating cash flow was mainly due to improved operating profit and reduced working capital.

Net interest-bearing debt on 30 June 2014 was SEK 8 022 million (8 656). The Group's net debt/equity ratio at the end of the period was 0.79 (0.91). This is an increase from the first quarter with 0.01 due to the dividend payout during the second quarter. BillerudKorsnäs' financial target for net debt/equity ratio is that it should be less than 0.90.

FINANCING

Interest-bearing loans amounted to SEK 7 485 million. Long-term interest-bearing liabilities amount to SEK 4 050 million and consist of utilisation of revolving credit facility of SEK 176 million, bond loans of SEK 1 650 million, SEK 1 600 million in term loans and other long-term liabilities amounting to SEK 624 million. Short-term liabilities amount to SEK 3 435 million and consist of commercial paper program of SEK 2 361 million, SEK 800 million in term loan and SEK 274 million in other short-term liabilities.

During the second quarter the group restructured the debt portfolio and the maturity profile is shown in the table below.

INTEREST-BEARING LOANS

Loan	Limit, SEKm	Maturity, years			Total utilized
		0-1	1-2	2-	
Syndicated credit facility	5 647		55	121	176
Term loans		800		1 600	2 400
Bond loans within MTN program	5 000			1 500	1 500
Other bond loans			150		150
Commercial paper	3 000	2 361			2 361
Term loan, Bomhus Energi AB		25	39	547	611
Other interest-bearing liabilities		249		38	287
Group total		3 435	244	3 806	7 485

The main change is that a revolving credit facility of in total SEK 5 500 million has been renegotiated with new terms and a duration of five years.

The group also cancelled a revolving credit facility of SEK 800 million and replaced it in part with a dual tranche SEK 400 million term loan maturing in 2019 and 2020. The remaining SEK 400 million was financed with short-term loans.



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.

Net sales in the first half of 2014 amounted to SEK 1 844 million (1 952). Operating profit reached SEK 19 million, which was SEK 51 million lower than for the same period in 2013. The decrease was mainly attributable to planned maintenance shutdown at Gruvön production unit.

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. In the first half of 2014 this result amounted to SEK -62 million (27).

Investments in property, plant and equipment and intangible assets excluding shares in the first half of 2014 amounted to SEK 207 million (70). The average number of employees was 894 (949). Cash and bank balances and short-term investments amounted to SEK 18 million (305).

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%	Q2	Q3	Q3
Karlsborg	~ 55	100%	0%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	0%	Q3	Q2	Q4

In connection to the maintenance shutdowns in 2014 in Gävle and Frövi, investments for increased capacity of liquid packaging board are planned and the negative impact on operating profit is estimated to be approximately SEK 35 million higher than a "normal" shutdown.

During the second quarter 2014 there have been planned maintenance shutdowns at the production units in Gruvön and Pietarsaari and the impact on the quarterly earnings was SEK 143 million, which was SEK 8 million more than estimated. The increase, compared to estimate, was due to start-up problems at Gruvön.

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

LARGEST SHAREHOLDERS

BILLERUDKORSNÄS' TEN LARGEST SHAREHOLDERS (30 JUNE 2014)



BillerudKorsnäs is listed on NASDAQ OMX Stockholm.

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	16 596 406	8.0
Nordea Funds	14 950 602	7.2
Swedbank Robur Funds	12 602 579	6.1
Lannebo Funds	8 875 161	4.3
Fourth Swedish National Pension Fund	8 795 989	4.3
Alecta	8 000 000	3.9
SHB Funds	6 296 479	3.0
Norges Bank Investment Management	5 582 226	2.7
DFA Funds (USA)	4 670 448	2.3
Total 10 largest shareholders	117 669 890	56.9
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 100 300. The proportion of foreign ownership was 30.5% 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 JUNE 2014)

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

LONG-TERM INCENTIVE PROGRAMME 2014

At the 2014 AGM, it was resolved that a long-term incentive programme (LTIP 2014) 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 2012 and LTIP 2013).

The objective of LTIP 2014 is to underpin BillerudKorsnäs' ability to retain its best talents for critical leadership positions, as well as to spur those participating into redoubled efforts, by linking their interests and viewpoints with those of the shareholders. The programme extends to a maximum of 75 executive officers, other key employees and talents in the BillerudKorsnäs Group. LTIP 2014 runs for three years starting in 2014. LTIP 2014 has the same structure as earlier long-term incentive programs (2010-2013), but the number of participants has been increased from 25 members in the LTIP 2013 to 75 participants in LTIP 2014. 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 2014 is 454 705, corresponding to approximately 0.2% of the total number of BillerudKorsnäs shares outstanding and the number of votes to be cast. The maximum estimated cost of LTIP 2014 is estimated at approximately SEK 56 million, including social security costs of SEK 34 million.

More information on LTIP 2014 is available in the documents for the 2014 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 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.

FINANCIAL CALENDAR

Interim report January-September 2014	28 October 2014
Year-end report January-December 2014	10 February 2015
Interim report January-March 2015	28 April 2015
Interim report January-June 2015	21 July 2015
Interim report January-September 2015	26 October 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 24 of this report.



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, 21 July 2014
BillerudKorsnäs AB (publ)

Lennart Holm,
Chairman

Michael M.F. Kaufmann,
Member

Bengt Hammar,
Member

Mikael Hellberg,
Member

Jan Homan,
Member

Gunilla Jönson,
Member

Kristina Schauman,
Member

Helén Gustafsson,
Member

Kjell Olsson,
Member

Per Lindberg,
President and CEO

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. The report has not been reviewed by the company's auditors.



BILLERUDKORSNÄS GROUP
INCOME STATEMENT

SEKm	Quarter			Jan-Jun		Full year
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Net sales	5 128	5 410	5 005	10 538	10 186	19 689
Other income	27	20	24	47	69	130
Operating income	5 155	5 430	5 029	10 585	10 255	19 819
Change in inventories	79	-106	-92	-27	-135	-43
Raw materials and consumables	-2 629	-2 684	-2 514	-5 313	-5 291	-10 236
Other external costs	-1 027	-1 016	-1 003	-2 043	-1 933	-4 006
Employee benefits expense	-786	-739	-792	-1 525	-1 541	-2 958
Depreciation and impairment of non-current assets	-343	-344	-366	-687	-730	-1 439
Profit/Loss from participations in associated companies	1	-	-	1	-	-
Operating expenses	-4 705	-4 889	-4 767	-9 594	-9 630	-18 682
Operating profit/loss	450	541	262	991	625	1 137
Financial income and expenses	-70	-72	-70	-142	-154	-309
Profit/Loss before tax	380	469	192	849	471	828
Taxes	-88	-100	-23	-188	-74	-142
Net profit/loss for the period	292	369	169	661	397	686
Profit/Loss attributable to:						
Owners of the parent company	288	361	166	649	388	671
Non-controlling interests	4	8	3	12	9	15
Net profit/loss for the period	292	369	169	661	397	686
Earnings per share, SEK	1.39	1.75	0.81	3.14	1.88	3.24
Diluted earnings per share, SEK	1.38	1.75	0.80	3.13	1.88	3.24

STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Jan-Jun		Full year
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Net profit/loss for the period	292	369	169	661	397	686
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains or losses on defined benefit pension plans	-	-	-	-	-1	89
Tax attributable to items not to be reclassified to profit or loss	-	-	-	-	-	-20
Total items never reclassified to profit or loss	-	-	-	-	-1	69
Items that have been or may be reclassified subsequently to profit or loss						
Differences arising from the translation of foreign operations' accounts	55	2	85	57	31	67
Change in fair value of shareholding in Bergvik Skog	6	4	5	10	22	44
Change in fair value of cash flow hedges	-106	-9	-58	-115	-42	-23
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	23	2	12	25	9	5
Total items that have been or may be reclassified subsequently to profit or loss	-22	-1	44	-23	20	93
Total comprehensive income for the period	270	368	213	638	416	848
Attributable to:						
Owners of the parent company	264	360	208	624	407	831
Non-controlling interests	6	8	5	14	9	17
Total comprehensive income for the period	270	368	213	638	416	848



STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Jun		Full year
	2014	2013	2013
Opening balance	9 917	9 435	9 435
Comprehensive income for the period	638	416	848
Rights issue	-	42	42
Share-based payment to be settled in equity instruments	2	3	5
Dividends paid	-465	-413	-413
Closing balance	10 092	9 483	9 917
Equity attributable to:			
Owners of the parent company	10 017	9 430	9 856
Non-controlling interests	75	53	61
Closing balance	10 092	9 483	9 917

BALANCE SHEET

SEKm	30 Jun	31 Mar	31 Dec
	2014	2014	2013
Intangible assets	2 615	2 636	2 658
Property, plant and equipment	14 687	14 672	14 714
Other non-current assets	825	812	798
Inventories	3 003	2 904	3 029
Accounts receivable	2 573	2 639	2 400
Other current assets	869	896	844
Cash and cash equivalents	193	288	497
Total assets	24 765	24 847	24 940
Equity attributable to owners of the parent company	10 017	10 216	9 856
Non-controlling interests	75	69	61
Total equity	10 092	10 285	9 917
Interest-bearing liabilities	4 050	4 476	5 197
Provisions for pensions	730	737	732
Other provisions	40	40	42
Deferred tax liabilities	2 676	2 696	2 691
Total non-current liabilities	7 496	7 949	8 662
Interest-bearing liabilities	3 435	3 085	2 958
Accounts payables	2 283	1 748	1 745
Other liabilities and provisions	1 459	1 780	1 658
Total current liabilities	7 177	6 613	6 361
Total equity and liabilities	24 765	24 847	24 940



STATEMENT OF CASH FLOW

SEKm	Quarter			Jan-Jun		Full year
	Q2 -14	Q1 -14	Q2 -13	2014	2013	2013
Operating surplus, etc.*	761	853	638	1 614	1 480	2 656
Change in working capital, etc.	128	-26	15	102	-149	-452
Net financial items, taxes, etc.	-153	-162	-93	-315	-277	-425
Cash flow from operating activities	736	665	560	1 401	1 054	1 779
Investments in property, plant and equipment	-301	-280	-454	-581	-680	-1 334
Acquisition of financial assets	-2	-	-3	-2	-3	-3
Business combinations	-	-	-	-	-	9
Disposal of property, plant and equipment	-	-	1	-	10	87
Cash flow from investing activities	-303	-280	-456	-583	-673	-1 241
Change in interest-bearing receivables	-	-	-	-	-	1
Change in interest-bearing liabilities	-83	-594	-139	-677	-296	-466
Dividend	-465	-	-413	-465	-413	-413
Rights issue	-	-	-	-	42	42
Cash flow from financing activities	-548	-594	-552	-1 142	-667	-836
Total cash flow (=change in cash and cash equivalents)	-115	-209	-448	-324	-286	-298
Cash and cash equivalents at start of period	288	497	922	497	774	774
Translation differences in cash and cash equivalents	20	-	25	20	11	21
Cash and cash equivalents at the end of the period	193	288	499	193	499	497

*The amount for the period January - June 2014 takes into account operating profit of SEK 991 million, reversed depreciation SEK 687 million, decrease in pension liabilities SEK -20 million, other provisions SEK -20 million, result from associated companies SEK -1 million, net of produced and sold electricity certificates and sold emission rights SEK -25 million and incentive programmes SEK 2 million. The amount for the period January – June 2013 takes into account operating profit of SEK 625 million, reversed depreciation SEK 730 million, increase in pension liabilities SEK 4 million, other provisions SEK 29 million, capital result SEK -6 million, net of produced and sold electricity certificates and sold emission rights SEK 95 million and incentive programmes SEK 3 million.



NOTE FINANCIAL ASSETS AND LIABILITIES

	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Group 30 June 2014						
Other shares and participations	-	-	791	-	791	791
Long-term receivables	-	5	-	-	5	5
Accounts receivable	-	2 573	-	-	2 573	2 573
Other receivables	11	305	-	-	316	316
Cash and cash equivalents ¹	-	193	-	-	193	193
Total	11	3 076	791	-	3 878	3 878
Non-current interest-bearing liabilities	-	-	-	4 050	4 050	4 083
Current interest-bearing liabilities	-	-	-	3 435	3 435	3 435
Accounts payable	-	-	-	2 283	2 283	2 283
Other liabilities	140	-	-	171	311	311
Total	140	-	-	9 939	10 079	10 112
Group 31 December 2013						
Other shares and participations	-	-	781	-	781	781
Long-term receivables	-	3	-	-	3	3
Accounts receivable	-	2 400	-	-	2 400	2 400
Other receivables	27	323	-	-	350	350
Cash and cash equivalents ¹	-	497	-	-	497	497
Total	27	3 223	781	-	4 031	4 031
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

	Jan-Jun		Full year
	2014	2013	2013
Margins			
Gross margin, %	16	13	13
Operating margin, %	9	6	6
Return (rolling 12 months)			
Return on capital employed, %	8	6	6
Return on total capital, %	6	4	5
Return on equity, %	10	11	7
Return on equity after dilution, %	10	11	7
Capital structure at end of period			
Capital employed, SEKm	18 115	18 140	18 306
Equity, SEKm	10 092	9 483	9 917
Interest-bearing net debt, SEKm	8 022	8 656	8 389
Net debt/equity ratio, multiple	0.79	0.91	0.85
Net debt/equity ratio after dilution, multiple	0.79	0.91	0.84
Equity ratio, %	41	38	40
Equity ratio after dilution, %	41	38	40
Interest-bearing net debt / EBITDA, multiple	2.77	4.45	3.26
Interest-bearing net debt / EBIT, multiple	5.34	10.68	7.38
Key figures per share			
Earnings per share, SEK	3.14	1.88	3.24
Average number of shares, thousands	206 735	206 543	206 632
Earnings per share after dilution, SEK	3.13	1.88	3.24
Average number of shares after dilution, thousands	207 193	206 938	207 051
Cash flow from operating activities per share, SEK	6.78	5.10	8.61
Operating cash flow per share, SEK	3.96	1.84	2.56
Equity per share, SEK	48.44	45.62	47.68
Number of shares at the end of the period, thousands	206 788	206 720	206 720
Equity per share after dilution, SEK	48.33	45.53	47.58
Number of shares at the end of the period after dilution, thousands	207 246	207 115	207 139
Other key figures			
Working capital as percentage of sales, %	13	14	14
Gross investments, SEKm	583	683	1 337
Average number of employees	4 197	4 283	4 270



**PARENT COMPANY
SUMMARISED INCOME STATEMENT**

SEKm	Quarter		Jan-Jun		Full Year
	Q2 -14	Q2 -13	2014	2013	2013
Operating income	878	975	1 855	1 975	3 857
Operating expenses	-921	-925	-1 836	-1 905	-3 652
Operating profit/loss	-43	50	19	70	205
Financial income and expenses	-37	-52	-82	-92	-191
Profit/Loss after financial income and expenses	-80	-2	-63	-22	14
Appropriations	-	5	-	5	-1 231
Profit/loss before tax	-80	3	-63	-17	-1 217
Taxes	18	-1	14	4	272
Net profit/loss for the period	-62	2	-49	-13	-945

SUMMARISED BALANCE SHEET

SEKm	30 Jun 2014	30 Jun 2013	31 Dec 2013
Non-current assets	13 200	13 147	13 109
Current assets	4 448	4 069	4 851
Total assets	17 648	17 216	17 960
Shareholders' equity	6 506	7 953	7 020
Untaxed reserves	2 135	341	2 135
Provisions	483	767	487
Interest-bearing liabilities	7 420	7 403	7 324
Other liabilities	1 104	752	994
Total equity and liabilities	17 648	17 216	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, 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	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Jan-Jun	Jan-Jun
									2014	2013
Packaging Paper	2 016	2 068	1 758	1 820	1 846	1 855	1 717	1 925	4 084	3 701
Consumer Board	1 822	1 949	1 659	1 716	1 784	1 805	508	-	3 771	3 589
Containerboard	767	792	763	755	758	797	623	634	1 559	1 555
Other units	512	589	549	470	579	699	183	52	1 101	1 278
Currency hedging, etc.	11	12	26	-13	38	25	37	17	23	63
Group staff and eliminations	-	-	-	-	-	-	-	-	-	-
Total Group	5 128	5 410	4 755	4 748	5 005	5 181	3 068	2 628	10 538	10 186

OPERATING PROFIT QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Jan-Jun	Jan-Jun
									2014	2013
Packaging Paper	169	191	91	-1	76	118	39	84	360	194
Consumer Board	253	233	29	244	126	158	35	-	486	284
Containerboard	59	117	98	89	66	65	23	73	176	131
Other units	16	39	2	17	1	40	9	20	55	41
Currency hedging, etc.	11	12	26	-13	38	25	37	17	23	63
Group staff and eliminations	-58	-51	-43	-27	-45	-43	-118	-33	-109	-88
Total Group	450	541	203	309	262	363	25	161	991	625

OPERATING PROFIT¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

SEKm	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Jan-Jun	Jan-Jun
									2014	2013
Packaging Paper	244	191	168	187	88	118	103	161	435	206
Consumer Board	265	233	148	244	241	206	79	-	498	447
Containerboard	115	117	151	110	66	65	70	77	232	131
Other units	16	39	2	17	1	40	9	20	55	41
Currency hedging, etc.	11	12	26	-13	38	25	37	17	23	63
Group staff and eliminations	-41	-37	-14	1	5	-16	-52	-17	-78	-11
Total Group	610	555	481	546	439	438	246	258	1 165	877
Costs for maintenance shutdowns	-143	-	-249	-209	-115	-	-119	-81	-143	-115
Non-recurring items	-17	-14	-29	-28	-62	-75	-102	-16	-31	-137
Operating profit	450	541	203	309	262	363	25	161	991	625

OPERATING MARGIN¹ QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

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

SALES VOLUMES QUARTERLY PER BUSINESS AREA AND FOR THE GROUP

ktonne	Q2 -14	Q1 -14	Q4 -13	Q3 -13	Q2 -13	Q1 -13	Q4 -12	Q3 -12	Jan-Jun	Jan-Jun
									2014	2013
Packaging Paper	294	310	263	269	273	275	254	283	604	548
Consumer Board	249	268	231	236	242	250	71	-	517	492
Containerboard	128	139	126	134	142	150	120	130	267	292
Total	671	717	620	639	657	675	445	413	1 388	1 332

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 income and expenses	-285	-24	-309
Profit/Loss before tax	828	-	828
Taxes	-142	-	-142
Net 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
Account 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 payables	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

	According to earlier accounting principles	Bomhus Energi AB	Revised
INCOME STATEMENT			
SEKm	Jan-Jun 2013		Jan-Jun 2013
Net sales	10 105	81	10 186
Other income	69	-	69
Operating income	10 174	81	10 255
Change in inventories	-135	-	-135
Raw materials and consumables	-5 259	-32	-5 291
Other external costs	-1 922	-11	-1 933
Employee benefits expense	-1 540	-1	-1 541
Depreciation and impairment of non-current assets	-711	-19	-730
Profit/Loss from participations in associated companies	6	-6	-
Operating expenses	-9 561	-69	-9 630
Operating profit/loss	613	12	625
Financial income and expenses	-142	-12	-154
Profit/Loss before tax	471	-	471
Taxes	-74	-	-74
Net profit/loss for the period	397	-	397

	According to earlier accounting principles	Bomhus Energi AB	Revised
INCOME STATEMENT			
SEKm	Q2 2013		Q2 2013
Net sales	4 973	32	5 005
Other income	24	-	24
Operating income	4 997	32	5 029
Change in inventories	-92	-	-92
Raw materials and consumables	-2 504	-10	-2 514
Other external costs	-1 000	-3	-1 003
Employee benefits expense	-792	-	-792
Depreciation and impairment of non-current assets	-356	-10	-366
Profit/Loss from participations in associated companies	3	-3	-
Operating expenses	-4 741	-26	-4 767
Operating profit/loss	256	6	262
Financial income and expenses	-64	-6	-70
Profit/Loss before tax	192	-	192
Taxes	-23	-	-23
Net profit/loss for the period	169	-	169

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 annualized 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.

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