



BILLERUD

INTERIM REPORT

JANUARY - JUNE 2009

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Billerud Pure Board – pure and hygienic for paper cup

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Billerud is strengthening its product range within paper packaging for drinks and liquid food through the launch of Billerud Pure Board. It is a white board made exclusively of primary fibre to meet strict hygiene requirements.

Billerud Pure Board is made exclusively of primary fibre which produces a pure material better suited to contact with food than paper based on recycled fibre.

Billerud Pure Board is produced at Billerud's Gruvön mill in Sweden. All of Billerud's Swedish mills have FSC and PEFC certification. The Gruvön mill also has BRC/loP hygiene certification.

Submitted for publication at 7.30 .a.m. on 23 July 2009

	Quarter			January-June	
	2009 II	2009 I	2008 II	2009	2008
Net turnover, MSEK	1 907	1 900	1 949	3 807	4 045
EBITDA, MSEK	181	102	239	283	576
Operating profit/loss MSEK	42	-37	114	5	328
Operating margin, %	2	-2	6	0	8
Profit/loss after financial items, MSEK	12	-69	77	-57	257
Net profit/loss, MSEK	8	-39	57	-31	187
Earnings per share, SEK	0.16	-0.76	1.11	-0.60	3.63

January-June 2009 compared with same period in 2008

- Net turnover was MSEK 3,807 (4,045), down 6%.
- Net loss was MSEK -31 (187).
- Earnings per share were SEK -0.60 (3.63).
- Operating profit was MSEK 5 (328), representing a margin of 0% (8).
- Currency hedging had a negative impact on operating profit of MSEK -193 (66) compared with if no hedging had taken place
- A new share issue, with preferential rights for existing shareholders and worth a total of MSEK 1,000, will be proposed at an Extra General Meeting on 27 August 2009.

April-June 2009 compared with January-March 2009

- Net turnover was MSEK 1,907 (1,900).
- Net profit was MSEK 8 (-39), an improvement of MSEK 47.
- Operating profit was MSEK 42 (-37), an improvement of MSEK 79, mainly due to lower price levels being compensated for by lower costs and a reduced negative effect of currency hedging.
- An improved order situation has meant that there has not been a need to make any significant market related production curtailments following the large curtailment at the start of the year.
- New significant order for Billerud Flute[®] and for co-operation based on the Fresh Services concept on the markets in Brazil and India for fruit deliveries to Europe, was signed with Rigesa in Brazil.

Outlook for full year 2009

- The order situation remained positive at the end of the second quarter, although uncertainty remains about the impact of the economic downturn on demand in the remainder of the year.
- Prices in respective sales currencies remain under pressure.
- Lower input prices primarily for wood and chemicals together with a significantly improved currency situation are expected to have a positive impact on profits as lower prices come into effect and old currency hedges are replaced with new ones.
- Cost savings are continuing according to plan and are expected to amount to at least MSEK 250 annually by the end of 2009.
- Inventories for market pulp on the global market have fallen in the second quarter, which helped to improve price levels.

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Billerud's President Per Lindberg and CFO Bertil Carlsén will present the interim report at a press conference on Thursday 23 July at 10 a.m. Location: Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm.

Comment by Per Lindberg, Billerud CEO

Billerud returns to profit in the second quarter and prepares for new share issue

“After making losses in two successive quarters it is very pleasing to report an operating profit of MSEK 42 and a net profit of MSEK 8 for the second quarter.

The improvement is primarily due to increased volumes for kraft paper, significant cost savings, lower input costs and an improved currency situation. However, we are still suffering negative effects from currency hedging and, unfortunately, experiencing a negative margin for the approximately one fifth of Billerud’s sales attributable to market pulp.

Despite this earnings improvement and a good order situation, uncertainty remains about the economic situation and development on the financial markets and thereby how this affects future levels of demand. Against this background among other factors the Board has decided to strengthen Billerud’s balance sheet by proposing a rights issue with preferential rights for existing shareholders amounting to a total of around MSEK 1,000 before issue costs.

This rights issue will enable us to achieve a lower leverage more quickly, cut our financing costs and reduce financial risk. We also consider that a strong financial position will favour us on the market and give us greater opportunities to develop Billerud in both the short and longer term when the market returns to a more normal situation.

Since being launched on the stock market in 2001 Billerud has delivered an average return on capital employed and a return on shareholders’ equity after tax of around 15%. For the past three years the return on capital employed has been 9% and the return on shareholders’ equity 10%. Our aim and highest priority is to continue giving our shareholders a good return on the money they invest in Billerud.”

Billerud Group

Market

The market situation and demand are still being affected by the economic downturn and uncertainty on the financial markets. The order situation for Billerud’s products has continued to improve generally during the quarter from the low level that was established in the final quarter of 2008. There has not been a need for any significant market-related production curtailments for Billerud in the second quarter. Prices in local sales currencies have generally continued to fall with the exception of market pulp, for which prices rose in the second quarter. There is uncertainty about whether the improved order situation is a sign of a more long-term change or the result of lower inventory levels on the market.

Deliveries of packaging paper amounted to 246,000 tonnes in the second quarter, an increase of 1% compared with the first quarter of 2009, and an increase of 4% compared with the second quarter of 2008. In the first six months of 2009 deliveries of packaging paper amounted to 489,000 tonnes, compared with 491,000 tonnes in the same period last year.

Billerud’s deliveries of market pulp amounted to 77,000 tonnes in the second quarter,

a decrease of 6% compared with the previous quarter, and a decrease of 3% compared with the second quarter of 2008. For the first six months of 2009 deliveries of market pulp amounted to 159,000 tonnes, compared with 164,000 tonnes in the corresponding period of 2008.

Billerud's total deliveries amounted to 323,000 tonnes in the second quarter, a decrease of 1% compared with the first quarter of 2009, and an increase of 3% compared with the second quarter of 2008. For the first six months of 2009 total deliveries amounted to 648,000 tonnes, a decrease of 1% compared with the corresponding period in 2008.

Sales and results

Second quarter compared with first quarter

Net turnover in the second quarter amounted to MSEK 1,907, around the same level as the first quarter of 2009. Volumes were stable between the quarters, while price levels were slightly lower than the previous quarter.

The operating profit amounted to MSEK 42 (-37), an increase of MSEK 79 on the previous quarter mainly due to the fact that lower prices were compensated for by lower costs and a reduced negative impact of previously implemented currency hedges. Lower costs are the result of lower input costs for wood and chemicals, internal cost savings and a more optimal mix of production and products in the second quarter.

The operating margin for packaging paper was 10% (12) and for market pulp -19% (-24).

Product area* (proportion of sales)	Operating margin April-June 2009	Operating profit/loss MSEK, April-June 2009	Deviation MSEK, from Jan-March 2009	Deviation MSEK, from April-June 2008
Packaging paper (80%)	10%	158	-36	58
Market pulp (20%)	-19%	-58	19	-43
Currency hedging and other	-	-58	96	-87
Total	2%	42	79	-72

* Market pulp refers to the Market Pulp business area, packaging paper refers to the Packaging and Speciality Paper and Packaging Board business areas together. Currency hedging, etc, refers to the specification on page 18.

Net financial items were MSEK -30, an improvement of MSEK 2 compared with the first quarter of 2009.

The profit before tax was MSEK 12. Estimated tax amounted to MSEK -4. The net profit was therefore MSEK 8.

January-June compared with the same period last year

Net turnover amounted to MSEK 3,807, down 6% compared with the corresponding period of last year. The reduction was mainly due to lower pulp prices.

Operating profit was MSEK 5, down MSEK 323 on the same period last year. The reduction (see table below) is primarily explained by lower prices in local sales currencies (-642), higher variable costs mainly for wood and chemicals (-25), which were compensated for to some extent by lower fixed costs (88) and an improved currency situation (283). With regard to fixed costs, in the comparison with last year it should be noted that the maintenance stop was carried out at Skärblacka in the second quarter of 2008. In 2009 the maintenance stop at Skärblacka will take place in the third quarter.

The deviation is divided as follows (MSEK):

	Q1-09/ Q1-08	Q2-09/ Q2-08	Jan-June 09/ Jan-June 08
<i>Delivery and production volumes, including product mix</i>	-63	66	3
Sales prices (in respective sales currency)	-279	-363	-642
Change in variable costs	-68	43	-25
Change in fixed costs	37	51	88
Change in depreciation	-16	-14	-30
Effects of exchange rate changes, including hedging*	138	145	283
Total change in operating profit/loss	-251	-72	-323

* Effects of exchange rate changes totalling MSEK 283 comprise the following: improved spot rates (MSEK 499) currency hedging (MSEK -259) and other net effects (MSEK 43).

The decrease in operating profit and operating margin compared with the previous year is mostly attributable to the part of Billerud's sales related to market pulp (around 20%), and to the effects of currency hedging. For packaging paper (around 80% of sales) there was an improvement of MSEK 25 compared with the corresponding period last year.

The operating margin for the first six months of 2009 was 0% (8).

Net financial items were MSEK -62 (-71), an improvement of MSEK 9.

The loss before tax was MSEK -57. Estimated tax was MSEK 26. The net loss was therefore MSEK -31.

Significant risks and uncertainties

Billerud's products are generally dependent on the business cycle in terms of both price development and delivery volumes. The Group is exposed to changes in currency exchange rates because most of the revenues are invoiced in foreign currency while most costs are incurred in SEK.

Billerud's mills have higher capacity for sulphate pulp production than is used to produce packaging paper. In order to produce cost-effectively, Billerud is largely dependent on being able to sell the surplus of sulphate pulp as market pulp. The market for pulp is currently out of balance and prices are unsatisfactorily low, which is why sales of market pulp are generating losses. A lengthy unbalanced period for the pulp market and unchanged cost levels may mean a deteriorating financial position for Billerud.

For an analysis of business sensitivity and further details of risks, see pages 57-61 of Billerud's 2008 Annual Report.

On 10 December 2007 the Swedish Environmental Protection Agency announced that it was fining Billerud MSEK 19 for incorrect reporting of emission rights utilised in 2006. Billerud's assessment is that the company has fulfilled its commitments and that a penalty of MSEK 19 is neither proportionate nor backed by law. Billerud has appealed against the decision and the only provision in the 2007 accounts relating to this matter is for an assessed late payment charge of SEK 80,000. During the third quarter 2008 a similar case was considered at the Växjö environmental court and the verdict was that the defendant should pay a fine. This verdict is not prejudicial and Billerud considers that its earlier assessment is unchanged. There is no new information on this matter.

Transactions with related parties

No transactions have been carried out between Billerud and related parties that would significantly affect the position and results of the company.

Currency hedging

During the first six months of 2009 net flows were hedged at the following rates: EUR/SEK 9.93 (9.34), USD/SEK 7.05 (6.52), GBP/SEK 12.09 (13.19) and DKK/SEK 1.32 (1.25). Currency hedging had an overall negative effect on profits of MSEK -193 (66) (compared with if no hedging had been performed).

Billerud's outstanding currency contracts as of 30 June 2009 had a market value of MSEK -23. The share of contracts corresponding to accounts receivable affected results during the period. Other contracts had a positive market value of MSEK 20.

Billerud hedges around 50% of forecast net flows over the coming 12-month period, but in line with its financial policy the company has the possibility to increase currency hedging to 100% of net flows over the coming 15 months.

The hedged amount of flows and hedged rates for EUR, USD and GBP as of 13 July 2009 are shown in the table below. DKK accounts for just 0.3% of total hedged flows and is therefore not included in the table.

Hedged amount of currency flows for EUR, USD and GBP, and exchange rate for SEK

Currency		Jul-sep 2009	Oct-Dec 2009	Jan-June 2010	Jul-Sep 2010	Total 15 months
EUR	Proportion of total flow	99%	100%	98%	82%	95%
	Rate	9.75	9.91	11.05	11.02	10.53
USD	Proportion of total flow	98%	91%	50%	4%	59%
	Rate	7.95	8.38	8.46	7.96	8.26
GBP	Proportion of total flow	99%	73%	39%	4%	49%
	Rate	12.38	12.39	12.47	12.85	12.42

Investments and capital employed

Gross investment including company acquisitions amounted to MSEK 144 (381). Billerud has acquired 100% of the shares in Tenova Bioplastics AB, a Swedish innovations company within bioplastics in Norrköping, Sweden. The annual net turnover amounts to around MSEK 35.

Billerud's capital employed amounted to MSEK 5,501 as of 30 June 2009, compared with MSEK 5,536 as of 31 March 2009 and MSEK 5,866 as of 30 June 2008.

The return on capital employed over the most recent 12 months was -1% (13). The return on shareholders' equity after tax was -2% (15). If the effects of currency hedging are not included, the return on capital employed was 8% (11).

Cash flow and financial position

MSEK (positive figure indicates a reduction in debt)	Jan-June 2009	Jan-March 2009	April-June 2009	Jan-June 2008
Operating surplus etc	263	49	214	544
Change in working capital etc.	-107	-163	56	-246
Net financial items, taxes, etc.	-88	-46	-42	-81
Cash flow from operating activities	68	-160	228	217
Current net investments	-103	-45	-58	-380
Company acquisition	-31	-31	-	0
Operating cash flow	-66	-236	170	-163
Dividend	-	-	-	-180
Other items, not affecting cash flow	-25	-20	-5	-12
Change in net debt during period	-91	-256	165	-355

Cash flow from operating activities in the first six months of 2009 amounted to MSEK 68, compared with MSEK 217 in the same period last year. The decrease was mainly due to a lower operating surplus that was however countered by a reduced negative working capital change.

Operating cash flow in the first six months amounted to MSEK -66, compared with MSEK -163 in the corresponding period last year.

Interest-bearing net debt on 30 June 2009 was MSEK 2,708, compared with MSEK 2,873 on 31 March 2009 and MSEK 2,962 on 30 June 2008. The Group's net debt/equity ratio at the end of the period was 0.97, compared with 1.08 on 31 March 2009 and 1.02 on 30 June 2008. According to Billerud's financial targets, the ratio should be between 0.60 and 0.90.

Financing

Billerud's syndicated credit facility amounting to MSEK 1,800 and due in September 2010 was refinanced during the first quarter and replaced with a new, three-year syndicated facility for the same amount and due in April 2012. In connection with this the interest terms and loan terms were adjusted to match the current market situation.

The bond loan of MSEK 350 due in June 2009 has been deducted from the new facility of MSEK 450 established in the final quarter of 2008.

Interest-bearing loans as of 30 June 2009 amounted to MSEK 2,918. This includes utilisation of MSEK 312 of the syndicated credit facilities (maximum: MSEK 1,800), MSEK 450 of the syndicated bank loan, MSEK 1,225 of bond loans, utilisation of MSEK 919 of Billerud's commercial paper programme (maximum: MSEK 1,500) and other interest-bearing liabilities amounting to MSEK 12.

Loan	Maximum credit (MSEK)	Utilised (MSEK)	Maturity
Syndicated credit facility	1 800	312	April 2012
Syndicated bank loan	450	450	Dec 2011*
Commercial paper		919	1-6 months
Bond loan 5		150	April 2010
Bond loan 6		250	June 2010
Bond loan 2		150	Sept 2011
Bond loan 4		300	Feb 2013
Bond loan 7		225	June 2013
Bond loan 8		150	March 2016
Total		2 906	

* Equals final due date. Average duration including amortization is 19 months.

Rights issue

The Board has decided to carry out a new share issue worth around MSEK 1,000 with preferential rights for existing shareholders and dependent on approval being granted at an Extra General Meeting of shareholders. It is being planned to hold the Extra General Meeting on 27 August 2009. The purpose of the new share issue is to strengthen Billerud's financial position and reduce the company's gearing quicker. In a changing and highly competitive industry and amid the current uncertainty on the market, a changed capital structure is expected to benefit Billerud's business position by increasing the ability of the company to handle the uncertainty, benefit from new opportunities and make Billerud a stronger, more attractive partner for customers, suppliers and the capital market. The new share issue will be fully guaranteed by Billerud's largest shareholders and a consortium of banks.¹

Personnel

The average number of employees during the first six months was 2,247, compared with 2,340 during the first quarter last year, i.e. a reduction of 93.

Segment information

The Group's business is controlled and reported in business areas as follows. The introduction of IFRS 8 on 1 January 2009 has not affected the reporting of the business areas.

- The Packaging & Speciality Paper business area has responsibility for sales of sack paper and kraft paper with a focus on packaged food, paper carrier bags, sack solutions and industrial applications.
- The Packaging Boards business area has responsibility for sales of fluting, liner and liquid board with a focus on fruit and vegetables and consumer goods.
- The Market Pulp business area has responsibility for sales of long-fibre market pulp.
- Other business comprises corporate departments such as corporate headquarters, wood supplies and the sales organisation. Other business includes

¹ This report does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares, subscription rights or other securities in Billerud. Any invitation to the persons concerned to subscribe for shares in Billerud will only be made through the prospectus that Billerud intends to publish in connection with the rights issue. Information about the rights issue in this report is not directed at persons located in the United States, Canada, Australia, Hong Kong, Japan or in any other country where such action is subject to legal restrictions.

profit shares in the associated companies/joint ventures Nine TPP AB and ScandFibre Logistics AB, and earnings from the subsidiary, Tenova Bioplastics AB, which was acquired during the year. Other business also includes the results from the hedging of net flows in foreign currencies and eliminations.

Fixed assets and capital investments cannot be broken down by business area because the business areas are integrated in terms of production to a considerable extent.

	Packaging & Speciality Paper		Packaging Boards		Market Pulp		Other business		Group total	
	Jan-June 2009	Jan-June 2008	Jan-June 2009	Jan-June 2008	Jan-June 2009	Jan-June 2008	Jan-Mar 2009	Jan-June 2008	Jan-June 2009	Jan-June 2008
Net turnover	2 016	2 009	1 240	1 210	633	780	-82	46	3 807	4 045
Other income	-	-	-	-	-	-	6	6	6	6
Operating costs	-1 651	-1 690	-1 030	-1 007	-718	-727	-131	-51	-3 530	-3 475
Depreciation and impairment	-138	-128	-85	-67	-50	-49	-5	-4	-278	-248
Profit share in associated companies/JV							0	0	0	0
Operating profit/loss	227	191	125	136	-135	4	-212	-3	5	328
Financial items									-62	-71
Tax									26	-70
Net earnings									-31	187

For further quarterly data see page 18 of this report.

Packaging & Speciality Paper

January-June

Operating profit increased by MSEK 36, or 19%, to MSEK 227, mainly due to an improved currency situation and lower costs.

Second quarter

Operating profit was MSEK 133, up MSEK 83 compared with the corresponding period last year mainly due to there being a maintenance stop in the second quarter last year, but also due to increased volumes and product mix. In relation to the first quarter of 2009, profit was up MSEK 39. The effect of lower prices was countered by higher volumes, a better customer and product mix, and lower variable costs. The operating margin was 13%, compared with 5% in the second quarter of 2008 and 9% in the first quarter of 2009.

Market development

Market development with regard to orders and deliveries improved further during the quarter. No market-related production stops were carried out, and both deliveries and the order situation have been satisfactory. Demand for sack paper has recovered from historically low levels. Billerud's leadership in quality and its position as an independent supplier have been appreciated by the market to an increased extent. In general, prices in the various sales currencies continued to fall during the quarter. This is primarily due to the great uncertainty about future demand, which has led to increased competition among suppliers. The currency situation has continued to a large extent to compensate for price reductions in local currency. Certain specialist niches of the kraft paper segment are experiencing strong development with stable prices.

Packaging Boards

January-June

Operating profit decreased by MSEK 11, or 8%, to MSEK 125, mainly due to a slightly worse product mix. Lower prices in the various sales currencies were compensated for by an improved currency situation.

Second quarter

Operating profit was MSEK 25, down MSEK 25 compared with the corresponding period last year mainly due to lower prices not being fully compensated for by lower variable costs and an improved currency situation. In relation to the first quarter of 2009 the profit was down by MSEK 75 mainly due to reduced volumes and lower prices. Lower variable costs partly compensated for this. The operating margin was 4% compared with 9% in the corresponding period last year and 15% in the first quarter of 2009. The second quarter is normally worse than the first quarter for seasonal reasons.

Market development

Market development continues to be affected by major price pressures resulting from the market situation within recycled qualities. Price levels for recycled corrugated board are very low, which has an impact on qualities based on primary fibre such as Billerud's S/C fluting. However there are early indications that the price reductions have flattened within recycled segment. Deliveries declined by 9% compared with the first quarter but were unchanged compared with the corresponding quarter in 2008. The decline in deliveries compared with the first quarter is partly explained by the seasonal decline for the fruit market and partly by the general decline in demand for corrugated board.

During the quarter a partnership agreement was signed with Rigesa Ltda, a leading producer of corrugated boxes for fruit and vegetables in Brazil and India. The agreement means deliveries of Billerud Flute® to Rigesa from July 2009 and includes an agreement for the Fresh Services concept on markets for fruit exports from Brazil and India to Europe. The agreement gives Billerud access to the fast-growing markets in Brazil and India, and is in line with Billerud's ambition to develop products close to customers.

Deliveries of Billerud's fully-bleached virgin fibre-based liner were unchanged on the previous quarter, and the order book is relatively satisfactory. Excess supply of recycled qualities is also pressurising prices in this segment.

Market Pulp

January-June

The operating profit declined by MSEK 131 compared with the same period last year due to lower prices.

Second quarter

The operating loss was MSEK -58, down by MSEK 43 compared with last year mainly due to lower prices. Compared with the first quarter of 2009 the result was MSEK 19 higher, mainly due to lower variable costs and slightly higher prices.

Market development

The pulp market stabilised during the quarter compared with the first quarter and price increases have occurred. The price of NBSK was around USD 580 at the start of the quarter and USD 630 by the end. The extensive capacity closures announced at the end of 2008 and start of 2009 have therefore had an impact and the balance of

the market has improved. The improved balance resulted in a further price increase to USD 660 in July.

Parent company

Billerud AB includes the Gruvön mill, the sales organisation for the Nordic markets and markets outside Europe, and head office staff.

Net turnover in the first six months of 2009 amounted to MSEK 1,517 (1,783). The operating loss was MSEK -141 (126), a decrease of MSEK 267 compared with last year, mainly due to lower deliveries and lower prices.

The parent company hedges both its own net currency flows, and those of the Group. The parent company's results include the results of these hedging measures. This result amounted to MSEK -193 (66).

Investment in fixed and intangible assets excluding shares amounted to MSEK 35 (166) in the first six months of 2009. The average number of employees was 947 (1,024). Liquid funds amounted to MSEK 295 (394).

Seasonal variations

Maintenance stops

In addition to continuous maintenance while machines are running, Billerud's mills normally require more extensive maintenance at some point during the year. To perform this maintenance, production of pulp and paper is stopped during the so-called maintenance stop. Completed and planned maintenance stops are shown below.

Mill	2009	2008
Gruvön	No stop 2009	Q 4, 7 days
Karlsborg	Q 3, 10 days	Q 3, 10 days
Skärblacka	Q 3, 8 days	Q 2, 8 days

Maintenance stops at Beetham have an insignificant effect on Billerud's overall earnings.

The effect of the stoppage on earnings varies depending on the extent of measures carried out, their character and the actual length of stoppage.

Other seasonal factors

A significant amount of volumes for Billerud Flute[®] are used to package fruit exports from the Mediterranean region. Demand from this customer group varies with the fruit seasons and is normally highest from September to March. A significant part of Billerud's sack paper and QuickFill[®] sack paper is used to package cement and building materials. Demand for building material in Europe is generally higher from May to October.

Additional measures to reduce costs

During the first quarter of 2008 a decision was taken to carry out a programme of measures within the business in order to reduce Billerud's costs. This work included a review of wood consumption, product recipes and specifications, the production mix, and the identification of additional measures to improve efficiency within production, energy use, as well as improvements in the efficiency of administration processes within the framework of the "One Billerud" project. The implementation of this programme is expected to generate an annual effect of MSEK 150 on earnings compared with cost levels in 2007 and it requires an investment of MSEK 50. The

annual rate of implementation at the time of decision was calculated at around MSEK 50 by the end of 2008 and MSEK 150 by the end of 2009. Work has progressed better than expected and as of 30 June 2009 savings of MSEK 163 at an annual rate have been achieved within the framework for these measures. The savings are primarily within variable costs attributable to improved energy efficiency and wood consumption.

Ahead of the approaching economic downturn and a fall in demand, a decision was made in the fourth quarter of 2008 to make further cost reductions of MSEK 100 with a focus on staffing and fixed costs. Measures to achieve these savings were mainly implemented during the most recent two quarters. The savings effects will primarily be achieved in the second half of 2009.

Largest shareholders

As of 30 June 2009 the ten largest shareholders according to Euroclear's register of shares and information from Sanderson Asset Management were as follows (Billerud's ownership of around 1.9 million shares and deposit banks are excluded):

Owners	Number of shares (millions) (shares = votes)	Proportion of shares on market, %
Frapag Beteiligungsholding AG	10,7	20,8
Sanderson Asset Management	2,8	5,5
Citibank	1,4	2,7
Norska staten	1,0	2,0
Proad AB	1,0	1,9
SEB Fonder/SEB Trygg Liv/Securities	0,8	1,6
Apoteket AB:s pensionsstiftelse	0,7	1,4
Clearstream Banking	0,6	1,2
Catella	0,5	1,1
Mellon	0,5	0,9
Totalt 10 largest	20,1	39,1
Total no. of shares on the market	51,5	100,0

The share of foreign ownership was 41.3% of the total shares on the market. The total number of owners (including nominee-registered) was around 119,200. More information about the shareholder structure is available at www.billerud.com/investors.

Distribution of shares

As of 30 June 2009 the distribution of shares was as follows:

Registered amount of shares	53 343 043
Treasury shares	- 1 851 473
Shares on the market	51 491 570

Since the end of 2004 there have been no share buy backs.

Outlook

The order situation remained positive at the end of the second quarter, although uncertainty remains about the impact of the economic downturn on demand in the remainder of the year.

Prices in respective sales currencies remain under pressure despite an improved order situation.

Lower input prices primarily for wood and chemicals together with a significantly improved order situation are expected to have a positive impact on profits as lower prices come into effect and old currency hedges are replaced with new ones.

Cost savings are continuing according to plan and are expected to amount to at least MSEK 250 annually by the end of 2009.

Inventories for market pulp on the global market have fallen in the second quarter, which helped to improve price levels.

The report for the first six months of the year provides a fair view of the parent company's and Group's business, position and results while describing the significant risks and uncertainties faced by the parent company and Group companies.

Stockholm
22 July 2009
Billerud AB (publ)

Ingvar Petersson
Chairman

Michael M.F. Kaufmann,
Vice Chairman

Stewe Cato
Board member

Gunilla Jönson
Board member

Per Lundberg
Board member

Ewald Nageler
Board member

Per Nilsson
Board member

Yngve Stade
Board member

Meg Tivéus
Board member

Per Lindberg
CEO

Future financial reports

Third quarter 2009	28 October 2009
Financial Statement, January-December 2009	11 February 2010
First quarter 2010	29 April 2010
Second quarter 2010	22 July 2010
Third quarter 2010	28 October 2010

Extra General Meeting planned for 27 August 2009
The AGM will take place on 4 May 2010.

The information is such that under the Securities and Clearing Operations Act, Billerud AB is obligated to publish it.

Review Report

To the Board of Directors of Billerud AB (publ)

We have reviewed the interim report for Billerud AB (publ) for the period from January 1, 2009 to June 30, 2009. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Standard on Review Engagements,

SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review substantially smaller less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 22 July 2009

Ernst & Young AB

Lars Träff

Authorized Public Accountant

The Billerud Group

Accounting principles

The report for Billerud Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report applies the same accounting principles as used in the most recent annual report for 2008, see pages 62-72 and page 87 for definitions of key indicators, except for: IFRS 8 Operating segments that replaces IAS 14 Segment Reporting and applies for the financial year starting 1 January 2009. The introduction of IFRS 8 has not affected the reporting of the business areas. Revised IAS 1 Presentation of Financial Reports, applied from 1 January 2009. The revised standard divides changes in equity between changes due to owner transactions and other transactions. The change means that certain transactions previously accounted for in equity, now are accounted for in a separate statement, Statement of comprehensive income. IAS 23 Borrowing Costs is applied from 1 January 2009 and prescribes that borrowing costs must be capitalised when directly attributable to purchases, construction or production of assets that take a considerable time to complete for intended use or sale. The amended accounting principles have, except for further disclosure requirements, not had a significant impact on reported accounts. The parent company's report has been prepared in accordance with the Swedish Annual Accounts Act.

Profit and Loss Account

MSEK	3 months			6 months		Full year
	April-June 2009	Jan-March 2009	April-June 2008	Jan-June 2009	Jan-June 2008	Jan- Dec 2008
Net turnover	1 907	1 900	1 949	3 807	4 045	7 792
Other operating income	2	4	4	6	6	15
Total operating income	1 909	1 904	1 953	3 813	4 051	7 807
Raw materials and consumables	-945	-1 022	-922	-1 967	-1 971	-3 929
Change in inventories	-16	-28	16	-44	75	-46
Other external costs	-410	-422	-448	-832	-877	-1 727
Staff costs	-357	-330	-360	-687	-702	-1 309
Depreciation and impairment of fixed assets	-139	-139	-125	-278	-248	-507
Profit/Loss from participation in associated companies and joint ventures	0	0	0	0	0	0
Total operating expenses	-1 867	-1 941	-1 839	-3 808	-3 723	-7 518
Operating profit/loss	42	-37	114	5	328	289
Financial items	-30	-32	-37	-62	-71	-165
Profit/Loss after financial items	12	-69	77	-57	257	124
Tax	-4	30	-20	26	-70	28
Net profit/loss for the period	8	-39	57	-31	187	152
Earnings per share, SEK	0.16	-0.76	1.11	-0.60	3.63	2.96
Earnings per share after dilution, SEK	0.16	-0.76	1.11	-0.60	3.62	2.96

Statement of comprehensive income MSEK	Jan-June 2009	Jan-June 2008	Jan-March 2009	Full year 2008
Net profit/loss for the period	-31	187	-39	152
Other comprehensive income (after tax)				
Change in translation reserve for the period	11	-6	4	2
Change in hedging reserve for the period	175	4	60	-235
Comprehensive profit/loss for the period	155	185	25	-81

Specification of change in equity MSEK	Jan-June 2009	Jan-June 2008	Jan-March 2009	Full year 2008
Opening balance	2 638	2 898	2 638	2 898
Comprehensive profit/loss for the period	155	185	25	-81
Market value of incentive programme	1	1	0	1
Dividend	-	-180	-	-180
Closing balance, shareholders' equity	2 794	2 904	2 663	2 638

No minority exists in equity or net profit for the period.

Balance sheet	30 June	30 June	31 March	31 Dec
MSEK	2009	2008	2009	2008
Fixed assets	5 712	5 849	5 786	5 824
Inventories	1 046	1 059	1 129	1 091
Accounts receivable	1 311	1 410	1 383	1 294
Other current assets	374	366	348	270
Liquid funds	397	469	303	542
Total assets	8 840	9 153	8 949	9 021
Shareholders' equity	2 794	2 904	2 663	2 638
Interest-bearing liabilities	1 591	1 351	2 256	2 396
Interest-bearing provisions, pensions	187	181	185	183
Other provisions	26	25	26	25
Deferred tax liabilities	1 286	1 370	1 274	1 254
Total long-term liabilities	3 090	2 927	3 741	3 858
Interest-bearing liabilities	1 327	1 900	735	580
Accounts payable	934	546	958	1 019
Other liabilities and provisions	695	876	852	926
Total current liabilities	2 956	3 322	2 545	2 525
Total shareholders equity and liabilities	8 840	9 153	8 949	9 021

Cash Flow Statement	April-June	Jan-March	Jan-June	Jan-June	Jan-Dec
MSEK	2009	2009	2009	2008	2008
Operating surplus, etc ¹⁾	214	49	263	544	716
Change in working capital, etc.	56	-163	-107	-246	249
Net financial items, taxes, etc.	-42	-46	-88	-81	-174
Cash flow from operating activities	228	-160	68	217	791
Investment in fixed assets	-59	-54	-113	-381	-613
Company acquisition	-	-31	-31	0	-9
Sale of fixed assets	1	9	10	1	1
Cash flow from investing activities	-58	-76	-134	-380	-621
Change in interest-bearing liabilities	-77	-5	-82	96	-172
Dividend	-	-	-	-180	-180
Sale of treasury shares, incentive programme	-	-	-	-	-
Cash flow from financing activities	-77	-5	-82	-84	-352
Total cash flow (= change in liquid assets)	93	-241	-148	-247	-182
Liquid assets, opening balance	303	542	542	718	718
Exchange rate differences in liquid assets	1	2	3	-2	6
Liquid assets, closing balance	397	303	397	469	542

¹⁾ The amount for January-June 2009 includes an operating profit of MSEK 5, reversed depreciation of MSEK 278, payment of structural costs of MSEK -5, an increase in pension liabilities of MSEK 1, the net of produced and sold electricity certificates and sold emission rights of MSEK -13, and capital gains of MSEK -3. The amount for the period January-June 2008 includes the operating profit of MSEK 328, reversed depreciation of MSEK 248, payment of structural costs of MSEK -5, an increase in pension liabilities of MSEK 4 and the net of produced and sold electricity certificates MSEK -31.

Key indicators	Jan-June 2009	Jan-June 2008	Jan-mar 2009	Jan-Dec 2008
<i>Margins</i>				
Gross margin, %	7	14	5	10
Operating margin, %	0	8	-2	4
<i>Return (rolling 12 months)</i>				
Return on capital employed, %	-1	13	1	5
Return on total capital, %	0	8	0	3
Return on equity, %	-2	15	-1	5
Return on equity after dilution, %	-2	15	-1	5
<i>Capital structure at end of period</i>				
Capital employed, MSEK	5 501	5 866	5 536	5 255
Shareholders' equity, MSEK	2 794	2 904	2 663	2 638
Interest-bearing net debt, MSEK	2 708	2 962	2 873	2 617
Net debt/equity ratio, times	0.97	1.02	1.08	0.99
Net debt/equity ratio after dilution, times	0.97	1.02	1.08	0.99
Equity ratio, %	32	32	30	29
Equity ratio after dilution, %	32	32	30	29
<i>Per share</i>				
Earnings per share, SEK	-0.60	3.63	-0.76	2.96
Average no. of shares, '000	51 492	51 492	51 492	51 492
Earnings per share after dilution, SEK	-0.60	3.62	-0.76	2.96
Average no. of shares after dilution, '000	51 492	51 570	51 492	51 492
<i>Per share at end of period</i>				
Equity per share, SEK	54.26	56.40	51.72	51.24
No. of shares, '000	51 492	51 492	51 492	51 492
Equity per share after dilution, SEK	54,26	56,38	51,72	51,24
No. of shares, '000	51 492	51 570	51 492	51 492
Gross investments including company acquisitions, MSEK	114	381	54	613
Company acquisition, MSEK	31		31	9
Average no. of employees	2 247	2 340	2 205	2 322

Key indicators, historical	Jan- June 2009	Jan-June 2008	2008	2007	2006	2005	2004
Net earnings, MSEK	-31	187	152	336	312	-183	509
Earnings per share, SEK	-0.60	3.63	2.96	6.52	6.08	-3.56	9.66
Return on capital employed, %	0	6	5	11	11	-4	17
Return on total capital, %	0	4	3	7	7	-3	11
Return on equity, %	-1	6	5	12	12	-7	16
Equity ratio, %	32	32	29	31	33	33	43

Parent company

Summarised income statement MSEK	3 months		6 months		Full year
	April-June 2009	April-June 2008	Jan-June 2009	Jan-June 2008	Jan-Dec 2008
Total operating income	722	874	1 502	1 825	3 443
Total operating expenses	-783	-825	-1 643	-1 699	-3 349
Operating profit/loss	-61	49	-141	126	94
Financial items	-27	-33	-60	-64	-147
Profit/loss after financial items	-88	16	-201	62	-53
Appropriations	-	-	-	-	1 900
Profit/loss before tax	-88	16	-201	62	1 847
Tax	24	-4	54	-17	-482
Net profit/loss	-64	12	-147	45	1 365

Summarised balance sheet MSEK	30 June 2009	30 June 2008	31 Dec 2008
Fixed assets	4 108	4 187	4 162
Current assets	2 463	3 767	2 995
Total assets	6 572	7 954	7 157
Shareholders' equity	2 149	1 229	2 296
Untaxed reserves	-	1 900	-
Provisions	754	422	806
Interest-bearing liabilities	3 059	1 754	2 959
Other liabilities	610	2 649	1 096
Total shareholders' equity and liabilities	6 572	7 954	7 157

Business areas

Billerud's net earnings and operating profit/loss are presented below per business area. The results of the business areas are reported excluding the effects of currency hedging and excluding the effect on profit/loss of restating accounts receivable in foreign currency and the currency effects in connection with these payments. These effects are reported separately under 'Currency hedging etc.' The part of currency exposure relating to changes in invoicing rates is included in the business area's results.

Quarterly breakdown of net turnover by business area and for the Group

MSEK	2009		2008				
	II	I	Full year	IV	III	II	I
Packaging & Speciality Paper	1 023	993	3 832	815	1 008	976	1 033
Packaging Boards	573	667	2 364	556	598	566	644
Market Pulp	310	323	1 499	334	385	366	414
Currency hedging, etc.	-62	-131	28	-33	38	37	-14
Other and eliminations	63	48	69	37	9	4	19
Total Group	1 907	1 900	7 792	1 709	2 038	1 949	2 096

Quarterly breakdown of operating profit by business area and for the Group

MSEK	2009		2008				
	II	I	Full year	IV	III	II	I
Packaging & Speciality Paper	133	94	244	-23	76	50	141
Packaging Boards	25	100	248	29	83	50	86
Market Pulp	-58	-77	-145	-110	-39	-15	19
Currency hedging, etc.	-62	-131	28	-33	38	37	-14
Other and eliminations	4	-23	-86	-28	-32	-8	-18
Total Group	42	-37	289	-165	126	114	214

Quarterly operating margin per business area and for the Group

%	2009		2008				
	II	I	Full year	IV	III	II	I
Packaging & Speciality Paper	13	9	6	-3	8	5	14
Packaging Boards	4	15	10	5	14	9	13
Market Pulp	-19	-24	-10	-33	-10	-4	5
Group	2	-2	4	-10	6	6	10

Quarterly delivery volumes per business area

'000 tonnes	2009		2008				
	II	I	Full year	IV	III	II	I
Packaging & Speciality Paper	132	118	482	103	128	123	128
Packaging Boards	114	125	469	108	121	113	127
Market Pulp	77	82	327	78	85	79	85
Total	323	325	1 278	289	334	315	340