
1 February 2012

Tough end to a good year

CEO Per Lindberg comments on the development during Q4 2011:

“2011 was an interesting and challenging year. It started very positively with high demand and rising prices which resulted in very strong earnings. The year ended more moderately after a fall in demand in the summer and autumn, price pressure on packaging paper, falling pulp prices and decreasing customer stocks. The consequence of this was that we generated an operating margin of only 4% in the fourth quarter. Operating profit was affected by a periodic maintenance shutdown in Gruvön, market-related production shutdowns, a 4% price reduction for packaging paper and an additional fall in pulp prices. Despite this, we are delivering a very strong result for the full year with an operating margin that met our 10% target and a return on capital employed of 20%.

In order to further strengthen our competitiveness going forward a decision was made during the quarter to invest approximately SEK 900 million in the Skärblacka mill. This investment will improve energy efficiency and environmental performance as well as enabling future expansion.

We look forward with confidence to an equally interesting and challenging 2012, with a market which shows signs of stabilising but which remains uncertain and difficult to predict.”

Solna, 1 February 2012
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The information is such that Billerud is obligated to publish under the Swedish Securities Market Act. Submitted for publication at 07.32 CET on 1 February 2012.