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PRESS RELEASE

20 June 2012

This is a summary of the complete press release. The complete press release is available on the webpage: www.billerud.com/billerudkorsnas

Billerud and Korsnäs to merge, creating a leading packaging materials company

The Board of Directors in Billerud AB (publ) ("Billerud") and in Investment AB Kinnevik (publ) ("Kinnevik") today announces the combination of Billerud and Korsnäs AB ("Korsnäs") (the "Transaction"). The new company, BillerudKorsnäs, will become a leading virgin fibre-based packaging materials and packaging solutions company with an annual turnover¹ of approximately SEK 20 billion.

- **The combination is a natural step to enhance the successful packaging material and packaging solutions businesses of Billerud and Korsnäs with the goal of creating a strong international player within the packaging industry.**
- **Both companies and their respective principal owners estimate a significant synergy potential to be realised within the next few years following the Transaction. Preliminary estimates of the yearly synergy effects amount to approximately MSEK 300.**
- **Billerud will acquire the shares in Korsnäs from Kinnevik. Kinnevik will receive shares in Billerud and a cash payment in exchange.**
- **Billerud will undertake a rights issue with preferential rights for BillerudKorsnäs' shareholders of MSEK 2,000 (the "Rights Issue") following the Transaction to strengthen the financial position.**

¹ Combined net sales for the period January-December 2011 for Billerud (incl. acquisition of the packaging paper business from UPM) and Korsnäs (incl. Latgran)

- Kinnevik will, in the Transaction, receive 25.1¹ percent of the votes in Billerud and a cash payment of MSEK 3,200. Kinnevik has agreed to subscribe for MSEK 500 in the Rights Issue.
- The current main shareholder in Billerud, FRAPAG Beteiligungsholding AG ("Frapag") supports the Transaction and has agreed to subscribe for its pro rata share in the Rights Issue. After the Transaction, the main shareholders in BillerudKorsnäs will be Kinnevik with a 25.1² percent holding followed by Frapag with a 15.7 percent holding.
- Billerud assumes current net debt in Korsnäs amounting to MSEK 5,650 in connection with the Transaction.
- The Transaction includes Korsnäs, Kinnevik's 75 percent share in Latgran Biofuels AB ("Latgran") and Korsnäs' 5 percent share in Bergvik Skog AB ("Bergvik").
- Completion of the Transaction is subject to approval of relevant competition authorities and shareholder approval at the Extraordinary General Meeting in Billerud which is estimated to be held in the turn of August and September 2012.

"Together with Korsnäs, we are looking forward to creating a leading player within packaging materials with a solid platform for future growth. It is a Transaction with both industrial and a financial logic where the combined company will be very well positioned. Together we will be able to offer our customers a better and broader range of products. Korsnäs is the leader within its product areas which complements the product areas of Billerud and jointly the BillerudKorsnäs offering of smarter packaging solutions will be strengthened" says Per Lindberg, President and CEO of Billerud

"Billerud and Korsnäs hold leading positions in renewable packaging materials niches that complement each other well. Together the companies will become a unique player with the ability to create innovative and leading packaging solutions for a growing and environmentally conscious global market", says Christer Simrén, President and CEO of Korsnäs

"I am convinced that the combination of Korsnäs and Billerud is positive for both Korsnäs and the shareholders of Kinnevik. Kinnevik will become the largest shareholder of BillerudKorsnäs, which will be leading in packaging materials with strong market positions in its product areas. I am also looking forward to working with the management and Board of BillerudKorsnäs to continue to develop the new company" says Mia Brunell Livfors, President and CEO of Kinnevik

¹ Calculation based on outstanding shares in Billerud (which is excluding Billerud's holding of own shares of 1.7 million). If the number of shares under the long term incentive program ("LTIP") in Billerud is included, Kinnevik's share amounts to 25.0 and Frapag's to 15.6%.

² Calculation based on outstanding shares in Billerud (which is excluding Billerud's holding of own shares of 1.7 million). If the number of shares under the long term incentive program ("LTIP") in Billerud is included, Kinnevik's share amounts to 25.0 percent and Frapag's to 15.6 percent.

"Since we started to invest in Billerud shares in 2005, we have always looked into growth opportunities for the company. We are confident that the new combined group will be a world class packaging materials producer. We are happy to support the combination, even if we will be the second biggest shareholder after the closing of the transaction. The proposed rights issue will give the new group additional financial stability and has our full support. We look forward to working together with the new main shareholder to create an even better future" says Michael M. F. Kaufmann, President and CEO of Frapag

Indicative timetable

Indicative timing of the Transaction is found below.

During turn of July and August 2012	Convening notice for Extraordinary General Meeting in Billerud is announced
Around three weeks prior to Extraordinary General Meeting	Publication of information materials for the Extraordinary General Meeting
During turn of August and September 2012	Extraordinary General Meeting in Billerud
Fourth quarter, 2012	Estimated completion of the Transaction and the Directed Issue of shares to Kinnevik
Fourth quarter, 2012	Board of Directors resolves on the Rights Issue based on authorisation granted at the Extraordinary General Meeting

This is a summary of the complete press release. The complete press release is available on the webpage: www.billerud.com/billerudkorsnas

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Billerud in brief

Billerud supplies more than 1,000 customers in over 100 countries with materials and services for the future of packaging. Through its business model Billerud puts the customer first with high quality materials, knowledge about the value chain, and a global network of customers and packaging partner. The offer is summarised by the concept of smarter packaging, i.e. solutions that attract more customers, increase productivity, reduce transportation costs and reduce wastage of resources and reduce environmental impact. The aim is to create values that strengthen clients' brands and competitiveness, and thus secures Billerud's position as the natural partner for smarter packaging. Billerud has a global market leader position in the virgin fibre-based packaging segment. Production takes place at six sites in Sweden, Finland and the UK with an annual capacity of around 1.7 million tonnes. In 2011, net sales amounted to approximately SEK 11 billion and operating margin was 10 percent (including the acquisition of UPM's packaging paper operations).

For more information please visit: www.billerud.se

Korsnäs in brief

Korsnäs is a leading supplier of virgin fibre-based packaging materials with a strong brand. The company has a deliberate strategy focusing on value-added products. Cartonboard is the largest product area, where liquid packaging board is used for the beverage containers, White Top Kraft Liner to the outer layer of corrugated packaging and Carton Board, primarily to pack cosmetics, exclusive drinks, confectionery and frozen food. Production takes place at three sites in Sweden with an annual capacity of 1,130 ktonnes (paper and cartonboard). In 2011, net sales amounted to around SEK 9 billion and operating margin was 11 percent (including Latgran).

For more information please visit: www.korsnas.com

Billerud – "The Natural Part in Smarter Packaging". Packaging manufacturers and brand owners are offered added value in the form of brand-strengthening, productivity-boosting and environment-enhancing packaging solutions. Billerud has a world-leading market position within primary fibre-based packaging paper. Billerud has annual sales of around SEK 11 billion and is listed on NASDAQ OMX Stockholm. www.billerud.com