



PRESS RELEASE

29 November 2012, Solna

This press release has been published in Swedish and English. In the event of any discrepancy in content between Swedish original text and the English translation, the Swedish original shall prevail.

The combination between Billerud and Korsnäs is now completed and BillerudKorsnäs is formed

The combination of Billerud and Korsnäs was completed today. The new company BillerudKorsnäs will be a leading player in primary fibre-based packaging material and solutions. In connection with the combination, the Board of Directors of BillerudKorsnäs has decided upon new financial targets.

As previously announced, Billerud entered into an agreement with Kinnevik on 19 June 2012 to acquire all shares in Korsnäs. The conditions of the acquisition has now been met and the combination between Billerud and Korsnäs was completed today by Billerud acquiring all shares in Korsnäs. In connection with the combination, the Board of Directors of BillerudKorsnäs have decided, with the authorisation of the extraordinary general meeting on 14 September 2012, to execute a share issue with preferential right for the shareholders. Information about terms and conditions regarding the rights issue will be announced in a separate press release, sent immediately following this press release.

Consideration

The consideration for the acquired shares shall according to the combination agreement consist of newly issued shares in BillerudKorsnäs corresponding to an ownership share of 25.1%¹ of the votes in the company, cash payment which, at the date of the agreement, was estimated to SEK 3 200 million and the assumption by BillerudKorsnäs of the existing external net debt of Korsnäs which, at the date of the agreement, was estimated to SEK 5 650 million.

At the day of completion an issue to Kinnevik of 34 551 592 shares has been implemented corresponding to an ownership for Kinnevik of 25.1% of the votes and an increase in BillerudKorsnäs' share capital in the amount of SEK 255 153 438. The cash payment has been subject to a preliminary adjustment based on estimated levels of external net debt, working capital, and investments as of the date of the completion of the combination. The cash consideration was adjusted to SEK 3 253 million², as estimated external net debt in Korsnäs as of 29 November 2012 amounts to SEK 5 799 million³, a deviation of SEK 149 million (compared to the calculated level of net debt on the day of signing of the combination agreement of SEK 5 650 million) and as estimated

¹ Kinnevik's owner share will amount to 25% if the dilution from Billerud's long-term incentive programs (LTIP) is included in the calculation of the number of Shares.

² In addition Billerud has paid SEK 2 579 million in compensation for Korsnäs' receivable on Kinnevik of the equivalent amount, which has been settled in conjunction with completion of the Transaction.

³ Excluding MSEK 60 in dividend received from Bergvik Skog.



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working capital in Korsnäs as of 29 November is SEK 202 million higher than an agreed, normalised level. The total consideration amounts to SEK 11 358 million (on a debt free basis and based on Billerud's closing share price on 28 November 2012). Further adjustment regarding the cash payment may occur depending on actual levels of external net debt, working capital and investments as of the transaction's completion date.

Of the cash payment SEK 500 million has been paid in the form of a vendor note to Kinnevik that will be used to subscribe for shares in the rights issue announced by the Board of Directors today (please see separate press release).

Change of company name

The change of company name from Billerud Aktiebolag (publ) to BillerudKorsnäs Aktiebolag (publ) is, as a result of Billerud acquiring the shares in Korsnäs, now effective.

New Board of Directors

In accordance with the resolution by the extraordinary general meeting on 14 September 2012, the changes regarding the Board of Directors are effective as a result of the completion. BillerudKorsnäs' new Board of Directors as of today, until the next annual general meeting, consists of Hannu Ryöppönen (Chairman), Mia Brunell Livfors, Lennart Holm, Jan Homan, Gunilla Jönson, Michael M.F. Kaufmann, Wilhelm Klingspor and Mikael Larsson as well as the employee representatives Helén Gustavsson and Kjell Olsson (with deputies Kurt Lindvall and Tobias Söderholm).

The new Board of Directors has at its statutory meeting resolved, among other things, to appoint Mikael Larsson (Chairman), Lennart Holm and Jan Homan as members of the Audit Committee. The Remuneration Committee consists of Hannu Ryöppönen (Chairman), Mia Brunell Livfors and Michael M.F. Kaufmann. Lennart Holm (Chairman) and Hannu Ryöppönen have been appointed as members of the Integration Committee, a committee formed specifically for the integration between Billerud and Korsnäs.

Senior management

The new Board of Directors has at its statutory meeting resolved Per Lindberg as President and CEO, and appointed Christer Simrén as executive vice president and COO of BillerudKorsnäs. For further information about other changes to senior management, please visit www.billerudkorsnas.com.



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Financial targets for BillerudKorsnäs

The Board of Directors of BillerudKorsnäs has decided today, on the following financial targets for the company:

Target	Description
Operating margin	Over a business cycle, the operating margin should on average exceed 10%.
> 10%	BillerudKorsnäs operates in an industry that historically has tracked a cyclical pattern, with corresponding variations in earning capacity.
Return on capital employed	Over a business cycle, the return on capital employed (ROCE) should on average exceed 13%.
> 13%	BillerudKorsnäs shall ensure a return corresponding to the shareholders' return expectations while the cost for the company's debt is covered with a margin.
Net debt/equity ratio	The net debt/equity ratio should be below 0.9.
< 0.9	BillerudKorsnäs' business is influenced to a large extent by the general economic climate, which means that the operating risk is considerable. Strengthening the financial position in good years is therefore essential in order to sustain the group in bad years.
Dividend policy	Over a business cycle, the dividend should on average amount to 50% of net profit.
50% of net profit	The dividend paid to shareholders will be dependent on, among other factors, BillerudKorsnäs' profit level, financial position and future development opportunities.



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2013 financial calendar

BillerudKorsnäs financial reporting dates during 2013 are as follows:

Year-end report for 2012	8 February 2013
Interim report January-March 2013	23 April 2013
Interim report January-June 2013	18 July 2013
Interim report January-September 2013	30 October 2013
Annual general meeting	7 May 2013

Nomination committee for the annual general meeting 2013

The nomination committee for the annual general meeting 2013 in BillerudKorsnäs consists of the following members:

Mia Brunell Livfors, Investment AB Kinnevik, chairman

Michael M.F. Kaufmann, Frapag Beteiligungsholding AG

Frank Larsson, Handelsbanken fonder

Björn Franzon, Swedbank Robur fonder

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BillerudKorsnäs in brief

BillerudKorsnäs offers primary fibre-based packaging materials and smart solutions for the packaging needs of today and tomorrow. The overall goal is to generate profitable growth. BillerudKorsnäs has the customers in focus using high quality materials, knowledge of the whole processing chain and a global network enabling accessibility. BillerudKorsnäs has a leading position within several segments, in primary fibre-based materials for consumer packaging as well as for industrial appliances. The purpose of the company is to create value that strengthen customer brands and competitiveness, thus ensure the company's position as the natural partner in smarter packaging. Approximately 75% of sales in BillerudKorsnäs are consumer related, Food & Beverages is the largest segment. Europe is currently the most important market to BillerudKorsnäs. The company's annual turnover is approximately SEK 20 billion.

Three business areas

The Packaging Paper business area offers customers technically advanced primary fibre-based kraft and sack paper, as well as smart solutions in function, design and material choice. All grades are strong and have excellent printability and runability which contributes to increased conversion process productivity for the customers.

The Consumer Board business area develops and sells high-quality board made from primary fibre to several segments, including beverages and consumer goods, which demand efficient, attractive and functional packaging. The business area also offers delivery service and application expertise solutions to customers.

The Containerboard business area offers containerboard made from primary fibre that meets stringent demands on strength, hygiene and printing. The strong material contributes with lighter packaging resulting in lower emissions during transports. Advice on packaging optimisation helps brand owners identify the right packaging for items and logistics chains.

Approximately 4 400 employees

On 30 September 2012 Billerud had 2 490 employees and Korsnäs 1 883 employees. Consequently BillerudKorsnäs has approximately 4 400 employees in total.

Eight production units

Paper and board production takes place at eight production units – Gävle, Gruvön, Frövi/Rockhammar, Skärblacka and Karlsborg in Sweden, Pietarsaari and Tervasaari in Finland and Beetham in the UK.

The total production capacity is approximately 2 900 ktonnes annually.

For further information visit: www.billerudkorsnas.com