



PRESS RELEASE

21 October, 2016, Solna

Firm performance in line with plans

CEO Per Lindberg comments on the development during Q3 2016:

"Once again we show a stable performance and I am happy to see that we deliver results as expected. Our production has stabilized and we have been producing in line with planned levels. The one issue for me is the lack of growth in Consumer Board. This is due to the production problems we suffered in previous quarters, but our view on the Consumer Board market has not changed and we expect to see the growth coming back as we catch up on inventory levels."

THE RESULT

Net sales and adjusted EBITDA in Q3 are on par with previous year's performance and in line with our expectations which is very satisfactory. We are not satisfied with our current lack of growth in the Consumer Board segment, but we have put the production disturbances related to last year's rebuilds behind us, and the anticipated improvements will come as we now are able to run our capacity on higher levels to match market demand and growth. Unfortunately, at the end of the quarter the recovery boiler in Frövi experienced serious problems and we were forced to stop it before our planned maintenance shutdown. We can run the board machine on lower capacity on external pulp but as a consequence we will see additional costs for pulp and the repair of the recovery boiler in the coming quarter beyond our previous estimates.

MARKET OUTLOOK

Overall the markets in all three business areas were stable and we anticipate that to continue.

The brown sack paper market improved compared to previous quarter. The market demand and local pricing for NBSK pulp also remained stable in the quarter.

Our view on the Consumer Board market continues to be very positive. Local pricing has been stable and we are not expecting any changes.

Within Business area Corrugated Solutions the demand for fluting has strengthened throughout the quarter and local pricing was unchanged. Managed Packaging sales have continued to deliver good progress.



BILLERUDKORSNÄS

STRATEGY

Our company has high sustainability ambitions and performance, hence it makes us proud when it is recognized and verified. During the quarter, we have been awarded the Gold of EcoVadis for the third consecutive year, and we have been included in one of the world's most prestigious sustainability indexes, the Dow Jones Sustainability Europe Index. BillerudKorsnäs is the only European company in its category to be included.

BillerudKorsnäs wants to be a positive force in the development towards a sustainable future by challenging conventional packaging. One way of doing that is to find and invest in attractive companies in the early stages to eventually generate new business and solutions later on in the packaging value chain. "Internet of Packaging" is one of several areas of focus, and through our venture company it now includes the investment in Kezzler.

Our innovation and design agency NINE recently achieved great success at Pentawards, the packaging world's finest award, through gold and bronze in the concept category. Yet another example of how we challenge conventional packaging.

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