



BILLERUDKORSNÄS



Q2

January–June 2017

INTERIM REPORT JANUARY–JUNE 2017

Quarterly data

- Net sales increased by 3% compared with the same period last year as a result of local price increases and changes in exchange rates.
- EBITDA was in line with the corresponding period last year. EBITDA was affected by SEK 55 million as a result of non-recurring costs for a pulp mill breakdown at Gruvön and additional costs related to Rockhammar.
- EBITDA was affected by SEK 230 million in costs for maintenance shutdowns, which is SEK 155 million more than the previous quarter and SEK 25 million more than estimated.
- Earnings per share for the quarter amounted to SEK 1.72 (1.93).

Outlook

- Demand and order situation are expected to be strong in the third quarter with normal seasonal variances for all business areas.
- The Packaging Paper and Corrugated Solutions business areas see opportunities for local price increases in the next quarter.
- Longer transportation of wood is expected to have a 3% negative effect on wood costs in Q3 compared with Q2.
- The situation at the Port of Gothenburg could have an impact on the Group's delivery capacity and costs during Q3.
- Costs for planned maintenance shutdowns in the third quarter are estimated at SEK 215 million.

KEY FIGURES

SEKm	Q2 2017	Q2 2016	Change	Jan-Jun 2017	Jan-Jun 2016	Change
Net sales	5 600	5 439	3%	11 236	10 796	4%
EBITDA	863	859	0%	1 786	1 876	-5%
EBITDA, %	15%	16%		16%	17%	
Operating profit	489	499	-2%	1 039	1 157	-10%
Operating margin, %	9%	9%		9%	11%	
Net profit/loss for the period	356	400	-11%	757	881	-14%
Earnings per share, SEK	1.72	1.93	-11%	3.65	4.26	-14%
Operating cash flow	314	631	-50%	20	786	-97%
ROCE, %	N/A	N/A		11%	14%	
Adjusted ROCE, %	N/A	N/A		13%	13%	
Working Capital, % of net sales	10%	11%		10%	11%	
Interest-bearing net debt / EBITDA, multiple	1.35	1.32		1.35	1.32	

For key figures and a reconciliation of alternative performance measures, see pages 19-20.

For further information, please contact Per Lindberg, CEO or Susanne Lithander, CFO, on +46 (0)8 553 335 00.

This information constituted insider information prior to publication. This is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CET on 18 July 2017.



COMMENTS BY CEO

Good prospects



Per Lindberg,
President and CEO

SEK 5 600 m

Net sales

SEK 863 m

EBITDA

15%

EBITDA MARGIN

“The market for sustainable packaging materials and solutions remains very encouraging. We delivered a stable result in the second quarter, despite the pressure from costs of external factors and the major disruption at Gruvön, which was communicated in May.

Looking ahead, we see that the path we have chosen is the right one. Markets are performing strongly over the short term, and in the long term the trend points to companies being ambitious in their sustainability efforts both in their business operations and their products. The prospects for growth are good.”

The result

We delivered solid operating profit of SEK 489 million. Production was relatively stable and we had planned maintenance shutdowns at three of our production units over the quarter, which cost SEK 25 million more than we had estimated. In addition, we had SEK 25 million in costs for the shutdown of the pulp line for the fluting machine at Gruvön, which we communicated separately, as well as additional costs related to Rockhammar of approximately SEK 30 million. Our results were also negatively affected by increased costs of deliveries due to the strike at the Port of Gothenburg.

The business areas showed stable performance over the quarter on a strong market and we see some positive development in local prices. Consumer Board is showing volume growth of around 6% compared with the first half of last year.

Market outlook

The strong performance in the market by all business areas is expected to continue over the next quarter. The outlook is good and there are opportunities for further price increases, particularly in the Packaging Paper and Corrugated Solutions business areas.

Primary fibre-based material with high sustainability performance is our core business, but alongside this, our solutions-based offerings are growing rapidly. This is being driven by both demand for a comprehensive offering in which the material is a key component, and by other types of solutions and packaging services. We are seeing a trend of packaging gaining an increasingly important role in many brand owners' efforts to make their products more competitive. The sustainability performance of packaging is particularly important. This continues to give us great confidence in our products and our development.

Strategy

We are continually reviewing and updating our growth strategy, but our chosen approach remains in place and we are firm in our belief in our clear focus on the effectiveness, sustainability and innovation of both new materials and new solutions and offerings. Achieving long-term growth requires resources and investments, along with a balance between a strong proactive approach and a focus on the right initiatives.

Packaging generates significant value for virtually all product value chains, and BillerudKorsnäs aims to shift its position forward in these chains. These efforts have created opportunities to develop new end-to-end solutions together with other companies such as our cooperation with Bosch on Axello Zap. This solution, which has only been in place for a year, is an example of where we see growing interest in end-to-end solutions with the potential to replace conventional packaging with more sustainable options. Also, it recently won a prize at Packaging Europe's Sustainability Awards in the Bio-based Packaging category.

Sales and results

EBITDA decreased by 7% compared with the first quarter as a result of lower sales volumes and higher maintenance shutdown costs.

EBITDA was in line with the same period last year.

Q2 2017 compared with Q1 2017

Net sales for the second quarter were 1% lower than the previous quarter as a result of sales volumes decreasing by 5%. This was offset slightly, however, by favourable exchange rates. The decrease in sales volumes was partly as a result of the maintenance shutdown at Skärblacka and Jakobstad in the second quarter, but also as a consequence of the breakdown at the pulp line at Gruvön, which had an adverse effect on fluting production. Sales volumes were also negatively affected by the restricted freight capacity through the Port of Gothenburg.

EBITDA decreased by 7%, or SEK 60 million, compared with the first quarter. This negative development was mostly due to sales performance and increased fixed costs due to the maintenance shutdown at Skärblacka and Jakobstad. Total costs for planned maintenance shutdowns in the second quarter were approximately SEK 230 million compared with SEK 75 million in the first quarter.

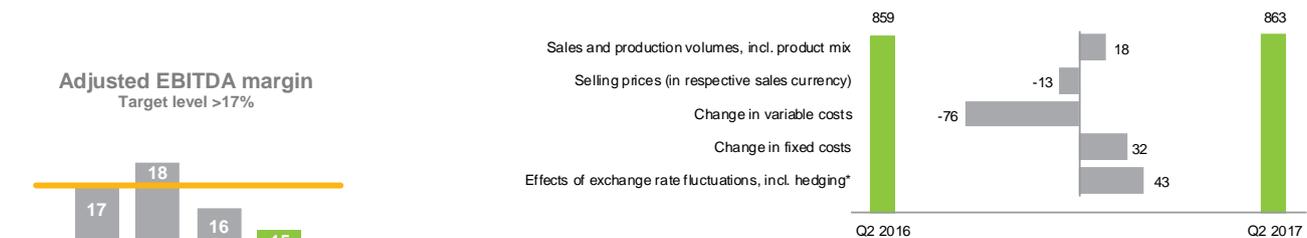
Q2 2017 compared with Q2 2016

Net sales were 3% higher than in the corresponding period last year and underlying organic growth in sales was 3%. This positive development was mainly due to improved exchange rates, combined with improved market prices for Liner and Sack Paper.

Sales volumes were in line with the same quarter last year, although with a 4% increase in Consumer Board driven by growth in Europe and China. Volumes for the Packaging Paper business area decreased by 2% as a result of the closure of Tervasaari. Corrugated Solutions volumes decreased by 6% due to a breakdown of the pulp line at Gruvön. Additional costs due to the restricted freight capacity through the Port of Gothenburg had a negative effect on all business areas.

EBITDA was in line with the same period last year. Increased costs for the purchase of external pulp for Frövi, due to the rebuild of Rockhammar, as well as increased costs for energy and chemicals were offset by favourable exchange rates and lower maintenance shutdown costs. Costs for planned maintenance shutdowns amounted to approximately SEK 230 million, compared with approximately SEK 245 million for the same period last year.

Change in EBITDA for Q2 2017 compared with Q2 2016, SEK million



*Effects of exchange rate fluctuations totalling SEK 43 million comprise the following components: change in spot rates SEK 146 million, currency hedging SEK -21 million and currency effects from revaluation of trade receivables and payments from customers SEK -82 million.

SEKm	Quarter		Jan-Jun	
	Q2 -17	Q2 -16	2017	2016
Net sales	5 600	5 439	11 236	10 796
ScandFibre Logistics AB	-88	-62	-184	-62
SIA Freja	-	-2	-1	-5
Net sales comparable units	5 512	5 375	11 051	10 729
EBITDA	863	859	1 786	1 876
ScandFibre Logistics AB	-	-	-	-
SIA Freja	-	-1	-	-1
EBITDA comparable units	863	858	1 786	1 875

The table above explains the result for comparable units between the periods.



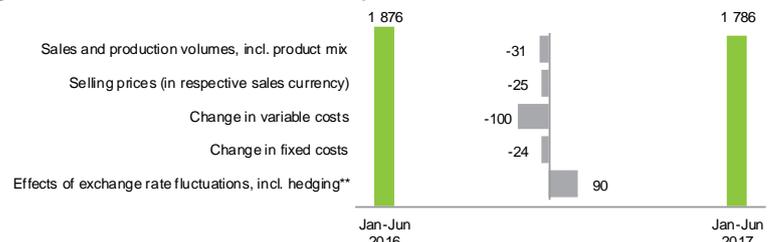
EBITDA decreased by 5% compared with the first half of last year as a result of the purchase of external pulp for Frövi and higher variable costs.

Jan–Jun 2017 compared with Jan–Jun 2016

Net sales for the first half of 2017 were 4% higher than for the corresponding period last year. Sales volumes increased by 1%. Consumer Board contributed with a 6% increase in sales volumes, while Corrugated Solutions and Packaging Paper decreased slightly. For Packaging Paper, the negative effect from the closure of Tervasaari was offset by continued strong conditions in Europe for white sack paper and kraft paper, while demand from China and the rest of Asia remains strong. Favourable exchange rates and improved market prices also had a positive impact on net sales.

EBITDA decreased by 5%, or SEK 90 million, mainly as a result of increased costs for the purchase of external pulp for Frövi due to the rebuild of Rockhammar and quality issues during Q1. In addition, costs increased for energy and chemicals. The impact was offset somewhat, however, by favourable exchange rates.

Change in EBITDA for Jan–Jun 2017 compared with Jan–Jun 2016, SEK million



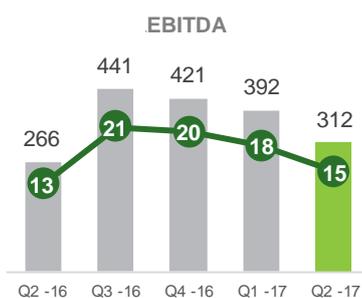
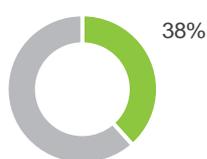
*Effects of exchange rate fluctuations totalling SEK 90 million comprise the following components: change in spot rates of SEK 227 million, currency hedging of SEK -63 million and currency effects from the revaluation of trade receivables and payments from customers of SEK -74 million.

Packaging Paper business area

KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS

Packaging Paper offers kraft and sack paper of premium quality plus smart solutions for customers in the industrial, medical equipment and consumer segments. The business area also sells surplus pulp that BillerudKorsnäs does not use in its own production. The Group's net exposure in market pulp is estimated to average approximately 210 ktonnes for 2017, 80 ktonnes 2018 and 0 ktonnes in 2021.

Share of Group net sales Q2 2017



Key figures

SEKm	Quarter		Jan-Jun		Full year
	Q2 -17	Q2 -16	2017	2016	2016
Net sales	2 151	2 085	4 292	4 172	8 339
Net operating expenses, other	-1 839	-1 819	-3 588	-3 548	-6 853
EBITDA	312	266	704	624	1 486
EBITDA, %	15%	13%	16%	15%	18%
Operating profit/loss	196	143	472	376	990
Operating margin, %	9%	7%	11%	9%	12%
Sales volumes, ktonnes	288	295	581	590	1 167
whereof packaging paper	183	190	374	376	746

Q2 2017 compared with Q2 2016

As a result of improved exchange rates and increased local prices, net sales increased by 3% compared with the second quarter of 2016, despite sales volumes being 2% lower due to the closure of the Tervasaari production facility in September 2016.

EBITDA rose by 17% compared with the same period last year, as a result of better sales mix and higher prices, as well as favourable exchange rates. Higher pulp costs in non-integrated mills due to unfavourable pulp prices had a negative impact on EBITDA in the second quarter of 2017 compared with the second quarter of 2016.

Jan-Jun 2017 compared with Jan-Jun 2016

As a result of a favourable sales mix and slightly higher local prices, net sales increased by 3% compared with the first half of 2016.

EBITDA rose by 13% compared with the same period last year, as a result of better sales mix and higher prices, as well as favourable exchange rates. High pulp costs in non-integrated mills had a negative effect on EBITDA in the first half of 2017 compared with the first half of 2016.

Market development

Market conditions were stable and favourable during the quarter. The market improved compared with previous quarters for all sack and kraft papers. Prices in local currency increased slightly for sack papers and remained stable for kraft papers compared with previous quarters.

The market for NBSK pulp remained stable and positive in the quarter compared with the previous quarter. Prices were around USD 890 per tonne at the end of the quarter compared with USD 820 at the end of the previous quarter. The price of pulp at the end of the second quarter of 2016 was USD 810 per tonne.

Outlook

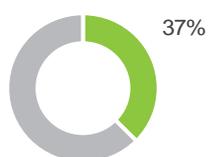
In the next quarter, overall Packaging Paper sales are expected to be on a par with the second quarter. Kraft and sack paper markets remain solid, with the potential to increase prices in local currency.

Consumer Board business area

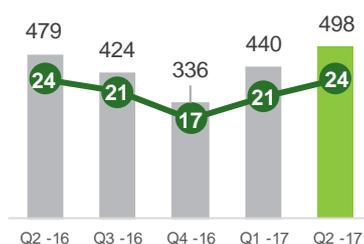
LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

Consumer Board delivers packaging materials in high-quality board made from primary fibre for beverages, food products and various other consumer goods. Smart solutions in terms of function, design and material selection create added value for customers.

Share of group net sales
Q2 2017



EBITDA



Key figures

SEK m	Quarter		Jan-Jun		Full year
	Q2 -17	Q2 -16	2017	2016	2016
Net sales	2 099	2 028	4 227	4 052	8 015
Net operating expenses, other	-1 601	-1 549	-3 289	-3 089	-6 292
EBITDA	498	479	938	963	1 723
EBITDA, %	24%	24%	22%	24%	21%
Operating profit/loss	299	287	545	582	964
Operating margin, %	14%	14%	13%	14%	12%
Sales volumes, ktonnes	279	268	564	533	1 051

Q2 2017 compared with Q2 2016

Sales and sales volumes increased by 4% compared with the second quarter of 2016.

EBITDA rose by 4% compared with the second quarter of 2016. The increase was mainly due to higher sales volumes.

Jan–Jun 2017 compared with Jan–Jun 2016

Sales volumes rose by 6% and net sales by 4% compared with the first half of 2016.

EBITDA decreased by 3% compared with the first half of 2016. The decrease occurred in the first quarter of 2017 and was primarily due to quality costs attributable to production in the second half of 2016 and start-up costs for the Rockhammar rebuild in late 2016. The total impact on the business area from these two items was SEK 80 million. The second quarter was affected by around SEK 30 million in additional costs related to Rockhammar, mainly comprising cost for purchase of pulp for Frövi.

Market development

We are seeing continued growth across all parts of the Consumer Board business area. The increase is in line with the Group's growth strategy. Prices in local currency were unchanged compared with the previous quarter.

Outlook

Orders for liquid packaging board are expected to remain stable and satisfactory with normal seasonal variations. Orders for cartonboard are expected to improve further.

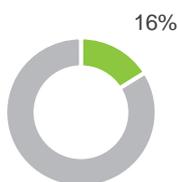


Corrugated Solutions business area

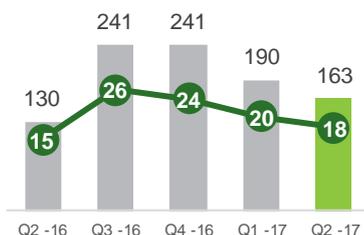
STRONG FLUTING AND LINER ADD VALUE

Corrugated Solutions supplies materials to corrugated board manufacturers and packaging solutions to brand owners. The strong and light materials – fluting and liner – are used in corrugated boxes for fragile goods and demanding distribution systems. Smart packaging is delivered via the Managed Packaging concept, which delivers supply chain solutions and packaging optimisations for brand owners, with a view to challenging conventional solutions.

Share of group net sales
Q2 2017



EBITDA



KEY FIGURES

SEKm	Quarter		Jan-Jun	Full year	
	Q2 -17	Q2 -16	2017	2016	2016
Net sales	902	839	1 833	1 718	3 620
Net operating expenses, other	-739	-709	-1 480	-1 371	-2 791
EBITDA	163	130	353	347	829
EBITDA, %	18%	15%	19%	20%	23%
Operating profit/loss	117	84	262	256	647
Operating margin, %	13%	10%	14%	15%	18%
Sales volumes, ktonnes	121	129	265	267	554

Q2 2017 compared with Q2 2016

Net sales rose by 8% compared with the same quarter in 2016 as a result of improved local prices and exchange rates. Managed Packaging showed continued favourable sales growth compared with last year.

EBITDA increased by 25% compared with the second quarter of 2016, mainly due to lower maintenance shutdown costs as the second quarter of last year was affected by a complete shutdown at Gruvön, while the year's maintenance shutdown was divided across both the first and second quarters. The business area was burdened by the full cost of SEK 25 million for the pulp mill breakdown at Gruvön.

Jan–Jun 2017 compared with Jan–Jun 2016

Net sales were 7% higher than for the same period in 2016 as a result of improved local prices and exchange rates, as well as sales growth in Managed Packaging.

EBITDA rose by 2% compared with the same period in 2016 as a result of a positive currency effect, which offset costs related to the pulp mill breakdown at Gruvön and higher paper prices for Managed Packaging in Asia.

Market development

The liner and fluting order books remained strong, with improved price levels in Europe. Managed Packaging delivered further sales growth and saw record-high monthly sales volumes for May and June.

Outlook

Demand for fluting and liner are expected to remain strong on all markets and there is good potential for continued international expansion and local price increases. Managed Packaging is expected to continue delivering sales growth both through new customers and increased volumes from existing customers.



Currency hedging

SEK -12 million net sales impact for the quarter.

Currency hedging had an overall net sales impact of SEK -12 million (9) for the second quarter and SEK -23 million (40) for the first half of 2017 (compared with no currency hedging).

The outstanding forward exchange contracts at 30 June 2017 had a market value of SEK 23 million, SEK -3 million of which is the portion of the contracts matched by trade receivables that affected earnings in the second quarter. Accordingly, other contracts had a market value of SEK 26 million.

Hedged portion of forecast currency flows** for EUR, USD and GBP and exchange rates against SEK (30 June 2017)

Currency		Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Total 15 months
EUR	Share of net flow	87%	80%	79%	76%	71%	79%
	Rate	9.54	9.55	9.63	9.61	9.72	9.61
USD	Share of net flow	79%	72%	58%	-	-	42%
	Rate	8.66	8.89	9.05	-	-	8.85
GBP	Share of net flow	15%	-	-	-	-	3%
	Rate	11.15	-	-	-	-	11.15
Market value of currency contracts*		-3	9	17	-4	4	23

*At 30 June 2017.

**Excluding currency flows from investments in a new board machine at Gruvön.

The currency hedging policy is to hedge 0–80% of forecast net flows over the next 15 months. Any deviations from the policy must be approved by the Board of Directors.

Adjusted return on capital employed



Investments and capital employed

Gross investments amounted to SEK 904 million (323) for the second quarter and SEK 1 459 million (577) for the first half of 2017.

Capital employed at 30 June 2017 amounted to SEK 17 688 million (17 435). Return on capital employed (ROCE), calculated over the last 12-month period, amounted to 11% (14%). The last 12-month period was affected by restructuring costs at Gruvön. The 12-month figure for June 2016 was affected by the capital gain from the Latgran divestment. ROCE calculated using adjusted operating profit amounted to 13% (13%).

Return on equity was 11% (15%).

Cash flow and financial position

Net debt/EBITDA
target level <2.5



Summary Cash Flow Statement

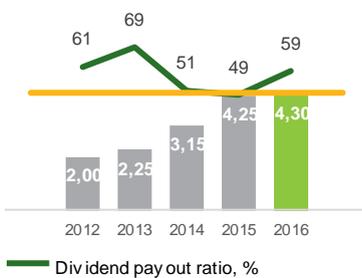
SEKm	Quarter		Jan-Jun	
	Q2 -17	Q2 -16	2017	2016
Operating surplus, etc.	837	840	1 732	1 836
Change in working capital, etc.	458	168	-27	-236
Net financial items, taxes, etc.	-78	-54	-227	-237
Cash flow from operating activities	1 217	954	1 478	1 363
Current net investments	-903	-323	-1 458	-577
Operating cash flow	314	631	20	786

Operating cash flow in the first half of 2017 amounted to SEK 20 million (786). The decrease was mainly due to the level of investment increasing due to investments in Gruvön and Skärblackså. Working capital in relation to sales was 10% for the quarter, which is an improvement on the first quarter of 2017 when it was 11%.

Interest-bearing net debt at 30 June 2017 amounted to SEK 4 734 million (5 204). The Group's interest-bearing net debt in relation to EBITDA at the end of the period was 1.35 (1.32). The target is to have a ratio below 2.5.

Financing

Dividend policy
Target level 50%



Interest-bearing debt amounted to SEK 4 710 million, a decrease of SEK 310 million on the previous quarter. The change was mainly due to commercial paper amounting to SEK 300 million being repaid in the quarter. Compared with the same period last year, interest-bearing debt decreased by SEK 288 million. Compared with the same period last year, bond loans increased by SEK 1 300 million. Commercial paper and bilateral loans decreased by SEK 750 million and SEK 800 million respectively.

A new syndicated credit facility of SEK 5 500 million was signed in the quarter, maturing in 2022. The credit facility replaces a previous facility of SEK 5 500 million, which was due to mature in 2019.

Loan	Limit, SEKm	Maturity, years			Total utilized
		0-1	1-2	2-	
Syndicated credit facilities	5 500				-
Term loans			200	500	700
Bond loans within MTN program	5 000	1 800		1 700	3 500
Commercial paper	3 000				-
Term loan, Bomhus Energi AB		43	44	423	510
Group total		1 843	244	2 623	4 710



Taxes

The tax cost for the second quarter of 2017 amounted to SEK 199 million (240), equal to approximately 21% (21%) of profit before tax.

Parent company

The parent company BillerudKorsnäs AB includes the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Operating income for the first half of 2017 amounted to SEK -99 million compared with SEK 48 million for the first half of 2016. The decrease was mainly due to the negative impact from hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. For the second quarter this result amounted to SEK -12 million (9).

The average number of employees was 107 (103). Cash and bank balances, and short-term investments amounted to SEK 534 million (351).

Seasonal factors



BillerudKorsnäs' business is subject to seasonal fluctuations to a relatively limited extent. Periodical maintenance shutdowns have the largest impact, as they involve each unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group usually has a somewhat higher cost level in the fourth quarter than in previous quarters.

Planned maintenance shutdowns

In addition to ongoing maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The principal cost items in a maintenance shutdown are loss of volume arising from the shutdown and fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of the measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown involves an assessment of the impact on earnings of a normal shutdown compared with a quarter during which no periodic maintenance shutdown takes place.

Estimated maintenance shutdown cost

Production units	Estimated shutdown cost ¹	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown		
		SEKm	Packaging Paper	Consumer Board	Corrugated Solutions	2017	2016
Gävle	~ 140	~ 5%	~ 80%	~ 15%	Q3	Q3	Q3
Gruvön*	~ 140	~ 40%	~ 10%	~ 50%	Q2	Q2	Q2
Frövi	~ 90	0%	100%	0%	Q4	Q4	Q4
Skärblacka	~ 120	~ 85%	0%	~ 15%	Q2	Q2	Q4
Skärblacka**	~ 20	100%	0%	0%	Q3	-	-
Karlsborg	~ 55	100%	0%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	0%	Q2	-	Q4
Rockhammar	~ 15	0%	100%	0%	Q3	Q4	-

¹ Maintenance shutdowns at Beetham have an insignificant effect on BillerudKorsnäs' total earnings.

*Gruvön had a maintenance shutdown at the end of March 2017, affecting the reports for both the first and second quarters. The cost for the first quarter was SEK 75 million and SEK 70 million for the second quarter.

**Skärblacka will have an additional maintenance shutdown at PM at the end of September 2017, affecting both the third-quarter and fourth-quarter reports. The estimated cost for the third quarter is SEK 5 million and SEK 15 million for the fourth quarter, affecting the Packaging Paper business area.

Costs for planned maintenance shutdowns reflect the estimated cost impact for 2017. In the second quarter, planned maintenance shutdowns took place at Gruvön, Skärblacka and Jakobstad. The total cost for maintenance shutdowns was approximately SEK 230 million, which was SEK 25 million more than estimated.

Largest shareholders

Billerudkorsnäs' ten largest shareholders (30 June 2017)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31 300 000	15.1
AMF Insurance & Funds	20 372 421	9.8
Swedbank Robur Funds	9 273 858	4.5
Fourth Swedish National Pension Fund	7 264 082	3.5
Alecta	6 948 000	3.4
Handelsbanken Funds	4 910 285	2.4
Norges Bank Investment Management	3 541 190	1.7
DFA Funds (USA)	3 311 170	1.6
Vanguard	3 277 494	1.6
Folksam	2 353 200	1.1
Total 10 largest shareholders	92 551 700	44.7
Total number of shares in the market	207 271 358	100.0

Distribution of shares

Distribution of shares (30 June 2017)

Registered number of shares	208 219 834
Bought back shares	-948 476
Total number of shares in the market	207 271 358

Long-term incentive programme (LTIP) 2017

The 2017 AGM resolved that BillerudKorsnäs would introduce a long-term incentive programme ('LTIP 2017') combined with a transfer of individual holdings of own shares. BillerudKorsnäs already has two existing long-term incentive programmes (LTIP 2015 and LTIP 2016).

The purpose of LTIP 2017 is to strengthen BillerudKorsnäs' ability to attract, motivate and retain the best personnel for central leadership positions. The objective is also to encourage senior executives, other key personnel and talent in the BillerudKorsnäs Group to make increased efforts by linking their interests and perspective with that of shareholders. The programme includes up to 100 senior executives, other key personnel and talent in the BillerudKorsnäs Group. LTIP 2017 runs for three years starting in 2017. LTIP 2017 has a similar design to previous long-term incentive programmes (2010–2016). The results depend on the extent to which various financial result requirements are met. Thus the maximum number of BillerudKorsnäs shares included in LTIP 2017 is 314 690, representing about 0.15% of the total number of BillerudKorsnäs shares outstanding and number of votes. The highest estimated costs for LTIP 2017 are calculated at approximately SEK 82.1 million, SEK 51.9 million of which comprises social security costs.

Further information about LTIP 2017 is available in the 2017 AGM documentation, which is available on BillerudKorsnäs' website.

Significant risks and uncertainties

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses are in SEK. A more detailed description of risks and a sensitivity analysis are provided on pages 84-91 of the 2016 Annual and Sustainability Report.

Related-party transactions

No transactions have taken place between BillerudKorsnäs and related parties that significantly affect the company's position and earnings.

Events after the end of the quarter

On 18 July, BillerudKorsnäs President and CEO Per Lindberg announced to the Board of Directors his decision to leave the company. He will continue in his position during his notice period until the beginning of 2018. For more information see separate press release.

Financial calendar

Q3 2017 – 17 October 2017

Capital Markets Days (Stockholm and London) – 15-16 November 2017

Year-end report 2017 – 29 January 2018

Q1 2018 – 20 April 2018

2018 Annual General Meeting – 15 May 2018

Q2 2018 – 18 July 2018

Q3 2018 – 16 October 2018



The undersigned hereby confirm that this mid-year report provides a true and fair view of the parent company's and Group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Solna, 18 July 2017
BillerudKorsnäs AB (publ)

Lennart Holm
Chairman

Michael M.F. Kaufmann
Member

Andrea Gisle Joosen
Member

Bengt Hammar
Member

Mikael Hellberg
Member

Kristina Schauman
Member

Victoria Van Camp
Member

Nicklas Johansson
Member

Gunnevi Lehtinen Johansson
Member

Per Lindberg
President and CEO

This information is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This information has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditors.

BillerudKorsnäs Group

Summarised income statement

SEKm	Quarter			Jan-Jun		Full year
	Q2 -17	Q1 -17	Q2 -16	2017	2016	2016
Net sales	5 600	5 636	5 439	11 236	10 796	21 657
Other income	48	59	46	107	76	155
Operating income	5 648	5 695	5 485	11 343	10 872	21 812
Change in inventories	-82	-160	6	-242	107	300
Raw materials and consumables	-2 646	-2 606	-2 555	-5 252	-5 179	-10 457
Other external costs	-1 141	-1 154	-1 211	-2 295	-2 219	-4 574
Employee benefits expense	-914	-851	-866	-1 765	-1 705	-3 474
Depreciation and impairment of non-current assets	-374	-373	-360	-747	-719	-1 561
Profit/Loss from participations in associated companies	-2	-1	-	-3	-	-1
Operating expenses	-5 159	-5 145	-4 986	-10 304	-9 715	-19 767
Operating profit/loss	489	550	499	1 039	1 157	2 045
Financial income and expenses	-45	-38	2	-83	-36	-108
Profit/Loss before tax	444	512	501	956	1 121	1 937
Taxes	-88	-111	-101	-199	-240	-419
Net profit/loss for the period	356	401	400	757	881	1 518
Profit/Loss attributable to:						
Owners of the parent company	356	401	400	757	881	1 518
Non-controlling interests	-	-	-	-	-	-
Net profit/loss for the period	356	401	400	757	881	1 518
Earnings per share, SEK	1.72	1.94	1.93	3.65	4.26	7.33
Diluted earnings per share, SEK	1.72	1.93	1.93	3.65	4.25	7.31

Summarised statement of comprehensive income

SEKm	Quarter			Jan-Jun		Full year
	Q2 -17	Q1 -17	Q2 -16	2017	2016	2016
Net profit/loss for the period	356	401	400	757	881	1 518
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains or losses on defined benefit pension plans	-	-	-	-	-	-12
Tax attributable to items not to be reclassified to profit or loss	-	-	-	-	-	3
Total items never reclassified to profit or loss	-	-	-	-	-	-9
Items that have been or may be reclassified subsequently to profit or loss						
Differences arising from the translation of foreign operations' accounts	12	-7	25	5	29	53
Change in fair value of shareholding in Bergvik Skog	1	9	-39	10	-38	16
Change in fair value of cash flow hedges	66	-11	-37	55	-23	76
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	-14	2	8	-12	5	-17
Total items that have been or may be reclassified subsequently to profit or loss	65	-7	-43	58	-27	128
Total comprehensive income for the period	421	394	357	815	854	1 637
Attributable to:						
Owners of the parent company	421	394	357	815	854	1 637
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period	421	394	357	815	854	1 637



Summarised balance sheet

SEKm	30 Jun 2017	30 Jun 2016	31 Dec 2016
Intangible assets	2 291	2 340	2 335
Property, plant and equipment	15 648	14 732	14 937
Other non-current assets	1 497	1 300	1 439
Total non-current assets	19 436	18 372	18 711
Inventories	2 907	2 950	3 142
Accounts receivable	2 636	2 625	2 612
Other current assets	780	789	681
Cash and cash equivalents	732	551	708
Total current assets	7 055	6 915	7 143
Total assets	26 491	25 287	25 854
Equity attributable to owners of the parent company	12 952	12 232	13 021
Non-controlling interests	1	-	1
Total equity	12 953	12 232	13 022
Interest-bearing liabilities	2 867	3 009	2 687
Provisions for pensions	772	768	778
Other provisions	250	45	252
Deferred tax liabilities	3 406	3 174	3 410
Total non-current liabilities	7 295	6 996	7 127
Interest-bearing liabilities	1 843	1 988	1 142
Accounts payables	2 765	2 556	3 049
Other liabilities and provisions	1 635	1 515	1 514
Total current liabilities	6 243	6 059	5 705
Total equity and liabilities	26 491	25 287	25 854

Summarised statement of changes in equity

SEKm	Jan-Jun		Full year
	2017	2016	2016
Opening balance	13 022	12 418	12 418
Comprehensive income for the period	815	854	1 637
Share-based payment to be settled in equity instruments	7	4	11
Dividend to owners of the parent company	-891	-880	-880
Dividend to non-controlling interests	-	-164	-164
Closing balance	12 953	12 232	13 022
Equity attributable to:			
Owners of the parent company	12 952	12 232	13 021
Non-controlling interests	1	-	1
Closing balance	12 953	12 232	13 022

Summarised cash flow statement

SEKm	Quarter			Jan-Jun		Full year
	Q2 -17	Q1 -17	Q2 -16	2017	2016	2016
Operating surplus, etc.*	837	895	840	1 732	1 836	3 781
Change in working capital, etc.	458	-485	168	-27	-236	332
Net financial items, taxes, etc.	-78	-149	-54	-227	-237	-371
Cash flow from operating activities	1 217	261	954	1 478	1 363	3 742
Investments in intangible assets, property, plant and equipment	-892	-533	-323	-1 425	-577	-1 607
Acquisition of financial assets	-12	-22	-	-34	-	-38
Sales of subsidiary	-	15	-	15	-	-
Business combinations	-	-	-6	-	-6	-6
Disposal of property, plant and equipment	1	-	-	1	-	4
Cash flow from investing activities	-903	-540	-329	-1 443	-583	-1 647
Change in interest-bearing receivables	-	-	5	-	5	2
Change in interest-bearing liabilities	-310	1 191	594	881	606	-564
Dividend to owners of the parent company	-891	-	-880	-891	-880	-880
Dividend to non-controlling interests	-	-	-62	-	-165	-165
Cash flow from financing activities	-1 201	1 191	-343	-10	-434	-1 607
Total cash flow (=change in cash and cash equivalents)	-887	912	282	25	346	488
Cash and cash equivalents at start of period	1 617	708	257	708	188	188
Translation differences in cash and cash equivalents	2	-3	12	-1	17	32
Cash and cash equivalents at the end of the period	732	1 617	551	732	551	708

*The amount for the period January–June 2017 takes into account operating profit of SEK 1,039 million, reversed depreciation of SEK 747 million, earnings from the sale of businesses of SEK -5 million, earnings from associated companies of SEK 3 million, a decrease in pension liabilities of SEK -16 million, other provisions of SEK -25 million, net of produced and sold electricity certificates and sold emission rights of SEK -18 million and incentive programmes of SEK 7 million. The amount for the period January–June 2016 takes into account operating profit of SEK 1,157 million, reversed depreciation of SEK 719 million, decrease in pension liabilities of SEK -25 million, other provisions of SEK -16 million, net of produced and sold electricity certificates and sold emission rights of SEK -3 million and incentive programmes of SEK 4 million.



Note 1 Accounting policies

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent annual report for 2016, see pages 101-107 and page 134 for definitions of key figures. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act. Key figure definitions are provided on page 21 of this report.

In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance and enhance comparability from period to period. These APMs should not be considered as a substitute for measures defined under IFRS.

Note 2 Financial assets and liabilities

	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Valuation classification	Level 2		Level 3			
Group 30 June 2017						
Other shares and participations	-	-	1 377	-	1 377	1 377
Long-term receivables	-	21	-	-	21	21
Accounts receivable	-	2 636	-	-	2 636	2 636
Other receivables	109	412	-	-	521	521
Cash and cash equivalents ¹	-	732	-	-	732	732
Total	109	3 801	1 377	-	5 287	5 287
Non-current interest-bearing liabilities	-	-	-	2 867	2 867	2 871
Current interest-bearing liabilities	-	-	-	1 843	1 843	1 865
Accounts payables	-	-	-	2 765	2 765	2 765
Other liabilities	55	-	-	237	292	292
Total	55	-	-	7 712	7 767	7 793

	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Valuation classification	Level 2		Level 3			
Group 31 December 2016						
Other shares and participations	-	-	1 343	-	1 343	1 343
Long-term receivables	-	21	-	-	21	21
Accounts receivable	-	2 612	-	-	2 612	2 612
Other receivables	107	378	-	-	485	485
Cash and cash equivalents ¹	-	708	-	-	708	708
Total	107	3 719	1 343	-	5 169	5 169
Non-current interest-bearing liabilities	-	-	-	2 687	2 687	2 731
Current interest-bearing liabilities	-	-	-	1 142	1 142	1 142
Accounts payables	-	-	-	3 049	3 049	3 049
Other liabilities	129	-	-	193	322	322
Total	129	-	-	7 071	7 200	7 244

¹ Short-term investments are classified as 'Cash and cash equivalents' when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value.

Note 3 Other disclosures

Other disclosures in accordance with IAS 34.16A are disclosed on the pages before the income statement and the statement of comprehensive income. Business area/segment information is disclosed on the pages 5-7, financing information on page 9, seasonal effects are disclosed on page 11 and events after the end of the quarter on page 13.

Key figures

	Jan-Jun		Full year
	2017	2016	2016
Margins			
EBITDA, %	16	17	17
Operating margin, %	9	11	9
Return (rolling 12 months)			
Return on capital employed, %	11	14	12
Return on equity, %	11	15	12
Capital structure at end of period			
Capital employed, SEKm	17 688	17 435	16 906
Working capital, SEKm	2 077	2 468	1 957
Equity, SEKm	12 953	12 232	13 022
Interest-bearing net debt, SEKm	4 734	5 204	3 884
Net debt/equity ratio	0.37	0.43	0.30
Interest-bearing net debt / EBITDA, multiple	1.35	1.32	1.08
Key figures per share			
Earnings per share, SEK	3.65	4.26	7.33
Dividend (for the financial year) per share, SEK	-	-	4.30
Other key figures			
Working capital as percentage of net sales, %	10	11	11
Gross investments, SEKm	1 459	577	1 645
Average number of employees	4 356	4 235	4 274



Reconciliation of alternative performance measures

Adjusted EBITDA, SEKm	Quarter			Jan-Jun	Full year	
	Q2 - 17	Q1 - 17	Q2 - 16	2017	2016	2016
Operating profit	489	550	499	1 039	1 157	2 045
Depreciation and impairment of non-current assets	374	373	360	747	719	1 561
EBITDA	863	923	859	1 786	1 876	3 606
Items affecting comparability	-	-	25	-	25	230
Adjusted EBITDA	863	923	884	1 786	1 901	3 836
Adjusted Operating profit, SEKm						
Operating profit	489	550	499	1 039	1 157	2 045
Items affecting comparability	-	-	25	-	25	350
Adjusted Operating profit	489	550	524	1 039	1 182	2 395
Adjusted earnings per share, SEK						
Profit attributed to owners of the parent company, SEKm	356	401	400	757	881	1 518
Items affecting comparability, attributed to owners of the parent company, SEKm	-	-	25	-	25	273
Adjusted profit attributed to owners of the parent company, SEKm	356	401	425	757	906	1 791
Weighted number of outstanding shares, thousands	207 186	207 095	207 018	207 141	206 985	207 037
Adjusted earnings per share	1.72	1.94	2.05	3.65	4.38	8.65
Adjusted Return on capital employed (ROCE), SEKm						
Adjusted Operating profit over 12 months *	2 252	2 287	2 186	2 252	2 186	2 395
Average capital employed over 12 months	17 380	17 388	17 484	17 380	17 484	17 350
Adjusted Return on capital employed	13%	13%	13%	13%	13%	14%
Items affecting comparability, SEKm						
Fraud (Operating expenses)			25		25	25
New board machine, KM7 - restructuring (Operating expenses)						205
New board machine, KM7 - write-down (Impairment of non-current assets)						120
Items affecting comparability	-	-	25	-	25	350

* 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Capital employed, SEKm			
Total assets	26 491	25 287	25 854
Accounts payables	-2 765	-2 556	-3 049
Other liabilities and provisions	-1 634	-1 515	-1 514
Other provisions	-250	-45	-252
Deferred tax liabilities	-3 406	-3 174	-3 410
Interest-bearing non-current assets	-16	-11	-15
Cash and Cash equivalents	-732	-551	-708
Capital employed	17 688	17 435	16 906
Working capital, SEKm			
Inventories	2 907	2 950	3 142
Accounts receivables	2 636	2 625	2 612
Other operating receivables	780	789	681
Accounts payables	-2 765	-2 556	-3 049
Other operating liabilities (excl provisions)	-1 571	-1 415	-1 428
Tax liabilities	90	75	-1
Working capital	2 077	2 468	1 957
Interest-bearing net debt, SEKm			
Interest bearing provisions	772	768	778
Interest bearing non-current liabilities	2 867	3 009	2 687
Interest bearing current liabilities	1 843	1 988	1 142
Interest-bearing non-current assets	-16	-10	-15
Cash and Cash equivalents	-732	-551	-708
Interest-bearing net debt	4 734	5 204	3 884

Definitions

ADJUSTED KEY FIGURES

Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for.

ADJUSTED EBITDA

Operating profit before depreciation and amortisation adjusted for items affecting comparability.

ADJUSTED EARNINGS PER SHARE

Earnings per share adjusted for items affecting comparability after tax attributable to owners of the parent company.

ADJUSTED OPERATING PROFIT

Operating profit adjusted for items affecting comparability.

CAPITAL EMPLOYED

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets. The measure is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.

EARNINGS PER SHARE

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market.

EQUITY

Equity at the end of the period.

EBITDA

Operating profit before depreciation and amortisation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation). EBITDA is a measure of operating performance. It is a profit measure that is close to the operating cash flow.

EBITDA, %

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales. The measure is used in business review as well as for benchmarking with peer companies.

INTEREST-BEARING NET DEBT

Interest-bearing provisions and liabilities less interest-bearing assets. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk.

INTEREST-BEARING NET DEBT/ EBITDA

Interest bearing net debt at the end of the period divided by EBITDA for the last twelve months. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

MF KRAFT PAPER

Machine Finished kraft paper.

MG KRAFT PAPER

Machine Glazed kraft paper.

NBSK

Northern Bleached Softwood Kraft.

NET DEBT/EQUITY RATIO

Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity, but imply a higher financial risk.

OPERATING CASH FLOW

Cash flow from operating activities including net investments in property, plant and equipment and acquisition of financial assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt and pay dividends to the shareholders.

OPERATING MARGIN

Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting all operating expenses. The measure is used in business review as well as for benchmarking with peer companies.

RETURN ON CAPITAL EMPLOYED (ROCE)

Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used in business review and benchmarking with peer companies.

RETURN ON EQUITY

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. The measure represents total profitability compared to the equity invested by the parent company's shareholders.

WORKING CAPITAL

Inventories, accounts receivables and other operating receivables less accounts payables and other operating liabilities. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.

WORKING CAPITAL AS PERCENTAGE OF NET SALES

Average working capital for the last three months, divided by annual net sales at year end or annualised net sales during interim-quarter (net sales for the quarter multiplied by four). Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.



Parent company

Summarised income statement

SEKm	Quarter		Jan-Jun		Full Year
	Q2 -17	Q2 -16	2017	2016	2016
Operating income	77	184	167	310	482
Operating expenses	-134	-143	-266	-262	-509
Operating profit/loss	-57	41	-99	48	-27
Financial income and expenses	-57	-32	-89	-69	-121
Profit/Loss after financial income and expenses	-114	9	-188	-21	-148
Appropriations	-	-	-	-	1 291
Profit/loss before tax	-114	9	-188	-21	1 143
Taxes	24	-1	43	6	-245
Net profit/loss for the period	-90	8	-145	-15	898

Summarised balance sheet

SEKm	30 Jun	30 Jun	31 Dec
	2017	2016	2016
Non-current assets	10 760	10 748	10 754
Current assets	5 981	4 429	5 747
Total assets	16 741	15 177	16 501
Shareholders' equity	6 264	6 372	7 292
Untaxed reserves	1 031	660	1 031
Provisions	201	200	204
Interest-bearing liabilities	8 764	7 675	7 081
Other liabilities	481	270	893
Total equity and liabilities	16 741	15 177	16 501

Quarterly data

The Group's business is managed and reported according to BillerudKorsnäs' three business areas. As of Q1 2017, Other includes former Other Units and Group Staff and Eliminations. Other units included results from wood supply, Nine AB, Scandifibre Logistics AB, rental operations, dormant companies, items affecting comparability and costs due to larger investments in the production structure. Group staff and eliminations included Group-wide functions, Group eliminations and the share in profits in associated companies. Comparable periods have been adjusted. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of trade receivables and payments from customers. The part of the currency exposure that relates to changes in exchange rates for invoicing is included in the business area's profit/loss.

Net sales quarterly per business area and for the Group

SEKm	Q2 -17	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Jan-Jun 2017	Jan-Jun 2016
Packaging Paper	2 151	2 141	2 067	2 100	2 085	2 087	2 020	2 174	4 292	4 172
Consumer Board	2 099	2 128	1 988	1 975	2 028	2 024	1 933	2 006	4 227	4 052
Corrugated Solutions	902	931	989	913	839	879	880	926	1 833	1 718
Other	483	465	463	400	421	363	387	368	948	784
Currency hedging, etc.	-35	-29	-39	5	66	4	-7	4	-64	70
Total Group	5 600	5 636	5 468	5 393	5 439	5 357	5 213	5 478	11 236	10 796

EBITDA quarterly per business area and for the Group

SEKm	Q2 -17	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Jan-Jun 2017	Jan-Jun 2016
Packaging Paper	312	392	421	441	266	358	252	406	704	624
Consumer Board	498	440	336	424	479	484	295	410	938	963
Corrugated Solutions	163	190	241	241	130	217	204	249	353	347
Other	-75	-70	-267	-74	-82	-46	-73	315	-145	-128
Currency hedging, etc.	-35	-29	-38	5	66	4	-7	4	-64	70
Total Group	863	923	693	1 037	859	1 017	671	1 384	1 786	1 876

EBITDA¹ quarterly per business area and for the Group

SEKm	Q2 -17	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Jan-Jun 2017	Jan-Jun 2016
Packaging Paper	482	420	421	502	415	358	370	458	902	773
Consumer Board	506	446	471	544	495	484	472	526	952	979
Corrugated Solutions	212	231	241	254	209	217	219	260	443	426
Other	-75	-70	-62	-74	-57	-46	-72	-28	-145	-103
Currency hedging, etc.	-35	-29	-38	5	66	4	-7	4	-64	70
Total Group	1 090	998	1 033	1 231	1 128	1 017	982	1 220	2 088	2 145
Costs for maint. shutdowns	-227	-75	-135	-194	-244	-	-310	-179	-302	-244
Items affecting comparability	-	-	-205	-	-25	-	-1	343	-	-25
EBITDA	863	923	693	1 037	859	1 017	671	1 384	1 786	1 876

EBITDA margin¹ quarterly per business area and for the Group

%	Q2 -17	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Jan-Jun 2017	Jan-Jun 2016
Packaging Paper	22	20	20	24	20	17	18	21	21	19
Consumer Board	24	21	24	28	24	24	24	26	23	24
Corrugated Solutions	24	25	24	28	25	25	25	28	24	25
Group	19	18	19	23	21	19	19	22	19	20

Sales volumes quarterly per business area and for the Group

ktonne	Q2 -17	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Jan-Jun 2017	Jan-Jun 2016
Packaging Paper	288	293	285	292	295	295	281	294	581	590
Consumer Board	279	285	257	261	268	265	257	262	564	533
Corrugated Solutions	121	144	147	140	129	138	132	139	265	267
Total Group	688	722	689	693	692	698	670	695	1 410	1 390

¹ EBITDA and margin are adjusted for the effects of periodical maintenance shutdowns and for items affecting comparability.

This is BillerudKorsnäs

BillerudKorsnäs is one of the **world's leading suppliers of high-quality, packaging materials** based on renewable raw material. Our wood raw material comes from sustainable managed forests and manufacturing takes place at resource-efficient, integrated production units.

Our customers are packaging manufacturers, brand owners and large retail and supermarket chains. Through close collaboration with customers and partners all over the world, we are able to offer a customised and broad product portfolio that features a high degree of innovation.

Demand is driven by global megatrends, particularly rising urbanisation, a greater focus on sustainability and changing consumption patterns. Consumer segments, primarily food and beverages, account for 74% of sales. While Europe is the core market, BillerudKorsnäs is gradually strengthening its presence in the leading growth markets of Asia.

Smart packaging solutions using paper or board from BillerudKorsnäs reduce the impact on the climate, cut the use of resources along the whole value chain and contribute to a sustainable future.

BUSINESS MODEL

Our business model is based on high-performance materials from forests in the north, advice, service and the collective knowledge held by a global network of machine suppliers, packaging manufacturers, researchers and design agencies. Innovative packaging solutions are developed in close collaboration with customers all over the world that demand the highest standards of quality, performance and sustainability.

STRATEGIC FOCUS

BillerudKorsnäs' overall objective is sustainable and profitable growth. The target is to grow by 3–4% a year. Our strategy is based on five areas that all interact: **Position, Innovation, Sustainability, Efficiency and Employees**. Find out more at billerudkorsnas.com

VALUE DRIVERS

High-performance materials based on renewable raw material from responsibly managed forests. Smarter solutions that optimise our customers' business. Leading positions in the growing global packaging market. A holistic approach to the entire packaging value chain from raw material all the way to the end-customer and recycling.



BILLERUDKORSNÄS

BillerudKorsnäs Aktiebolag (publ) • Postal address: Box 703, SE-169 27 Solna, Sweden • Visitors' address: Frösundaleden 2b
Company reg. no. 556025-5001 • Tel +46 8 553 335 00 • ir@billerudkorsnas.com
www.billerudkorsnas.com