



Press release

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BillerudKorsnäs intends to acquire forest assets

BillerudKorsnäs has signed a letter of intent to acquire Bergvik Skog Öst AB, owned by Bergvik Skog AB. Bergvik Skog Öst AB comprises approximately 350,000 hectares of forest land in Sweden. The transaction will secure parts of BillerudKorsnäs' wood supply, and improve the possibilities to manage the mix of internal and external wood flows in order to increase efficiency.

Bergvik Skog AB was formed in 2004 through an acquisition of the Swedish forest holdings of Korsnäs and Stora Enso. The biological assets of Korsnäs represented in 2004 approximately 17% (Bergvik Skog Öst AB) and the Stora Enso assets approximately 83% (Bergvik Skog Väst AB). As part of the transaction in 2004, long term wood supply agreements were agreed between Bergvik Skog AB and Korsnäs and Stora Enso.

The letter of intent, which concerns a division of Bergvik Skog AB's forest assets among current owners, has been signed with other owners that together with BillerudKorsnäs represent about 98% of the ownership in Bergvik Skog AB. After the signing of the letter of intent, which is non-binding, the parties will now verify the current assets included in Bergvik Skog Öst and Väst, respectively, and define the final terms of BillerudKorsnäs' acquisition of Bergvik Skog Öst AB. As a part of the LOI, the purchase price principle has been defined as IFRS book value plus 3% for the assets included in the transaction. Simultaneous to acquiring Bergvik Skog Öst AB, BillerudKorsnäs intends to divest its indirect 5% ownership in the forest assets in Bergvik Skog Väst AB. The ambition is to close these transactions during 2018.

"Through the transaction, BillerudKorsnäs will secure long term access to a competitive and stable wood supply. With a mix of internal and external supply flows after the transaction, the company is perfectly positioned to continue developing a responsible Swedish forestry, which is a basis for the sustainability performance of BillerudKorsnäs products. The exact distribution of assets will now be defined, and we will disclose the financial impact of the transaction for BillerudKorsnäs as soon as the final agreement is signed. In addition we are also in the process of evaluating long term financing of the transaction", says Per Lindberg, President and CEO, BillerudKorsnäs.



BILLERUDKORSNÄS

About Bergvik Skog AB

Bergvik Skog AB is one of the largest forest owners in Europe. In Sweden, the company owns 2,3 million hectares of land, primarily in mid-Sweden, and in Latvia, the company is the largest private forest owner with 100 000 hectares. The annual harvest volume is about 6 million m³sub. BillerudKorsnäs currently owns 5% of the shares in Bergvik Skog AB. The IFRS value for Bergvik Skog was approximately SEK 49 bn in 2016.

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