

INTERIM REPORT | JANUARY-MARCH 2012



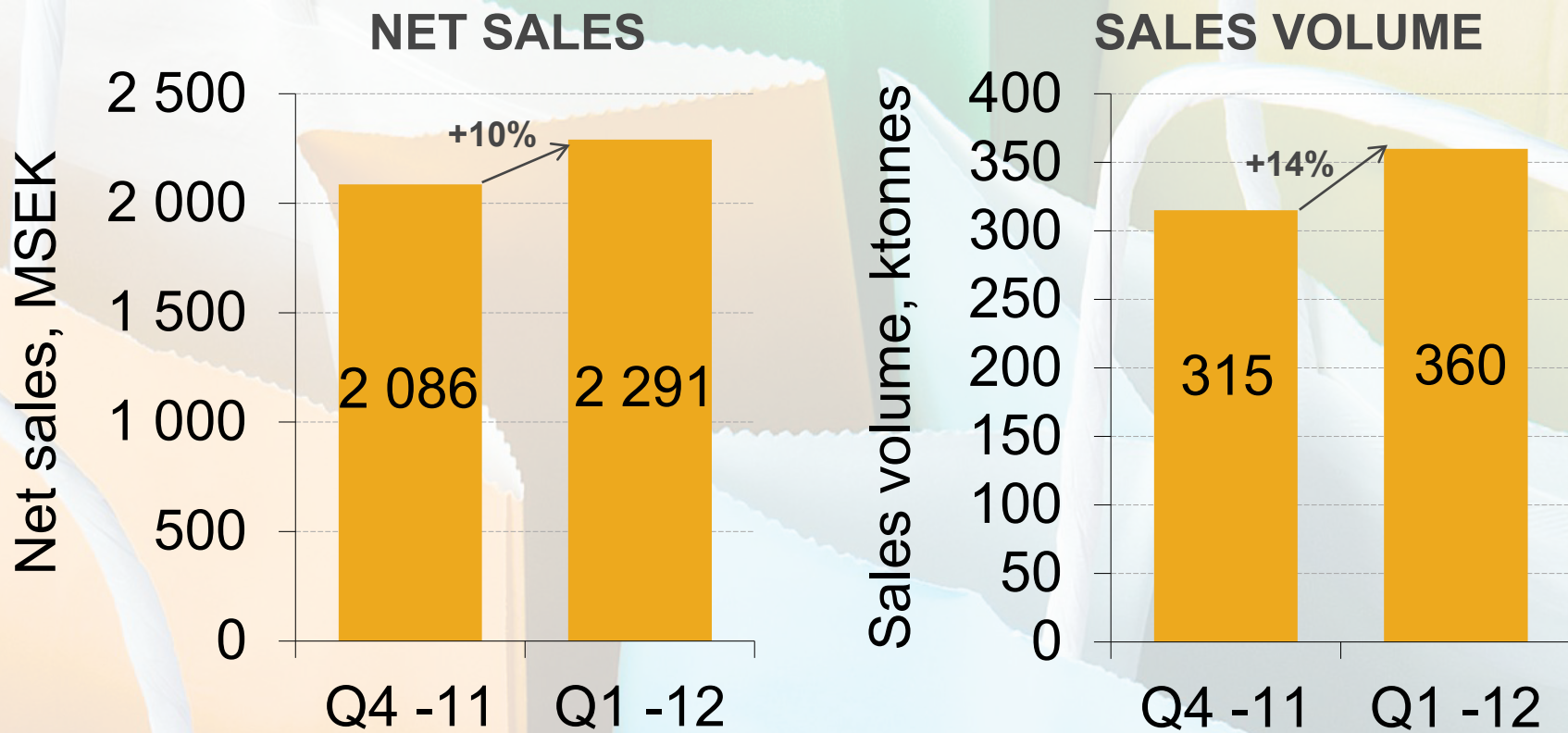
AGENDA

- Highlights
- Development by Business Area
- Financials
- Outlook

HIGHLIGHTS IN Q1 2012

- Increase in net sales and sales volumes vs. Q4 2011
- Operating profit of MSEK 142, 6% operating margin
- Non-recurring costs of MSEK 14
- Price cuts halted
 - ~2% lower prices in local currency for packaging paper
 - ~25 USD/tonne price increase for NBSK pulp in Europe
- Price increases announced for sack and kraft papers
- Lower wood costs

INCREASED SALES DUE TO HIGHER VOLUMES

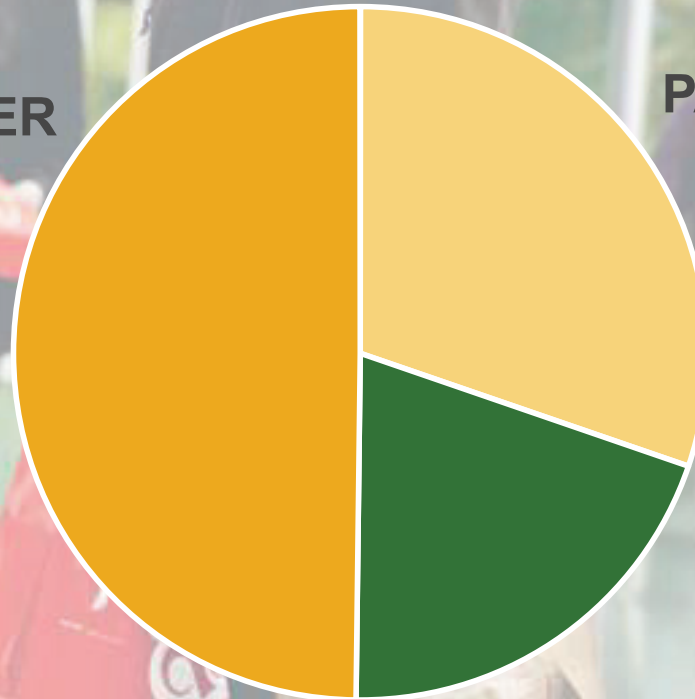


BUSINESS AREAS & SEGMENTS

PACKAGING & SPECIALITY PAPER
Kraft & Sack Paper

PACKAGING BOARDS
S/C Fluting, Liner, Liquid Board

MARKET PULP
Nordic Bleached
Softwood Kraft Pulp



Note: Graph shows sales breakdown per business area for Q1 2012.

PACKAGING & SPECIALITY PAPER

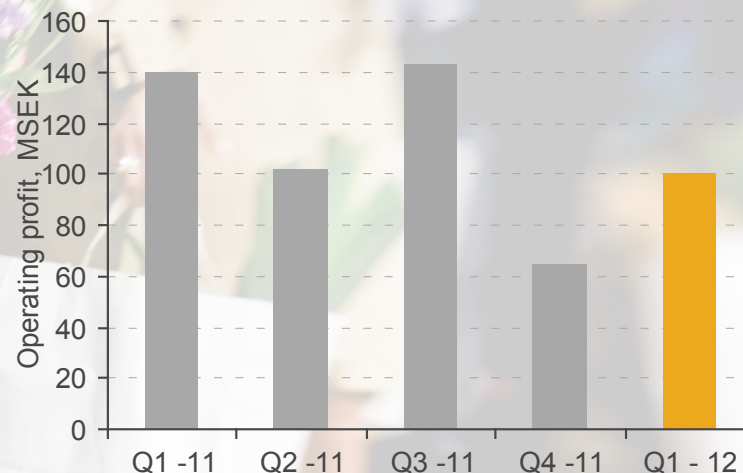
Market situation in Q1 2012

- Improved order situation vs. Q4 2011
- Sack paper had higher order levels than normal while kraft paper was at normal levels towards the end of Q1
- Price cuts halted
- 80 EUR/tonne in price increase announced from 1 June for sack and kraft papers

PACKAGING & SPECIALITY PAPER

Financials – Q1 2012 vs. Q4 2011

- Operating profit up by MSEK 35
- Mainly due to higher sales volumes and lower variable costs



	Q1 -12	Q4 -11	Q1 -11	FY 2011
Net sales, MSEK	1,091	941	1,217	4,293
Operating profit, MSEK	100	65	140	450
Operating margin, %	9	7	12	10

PACKAGING BOARDS

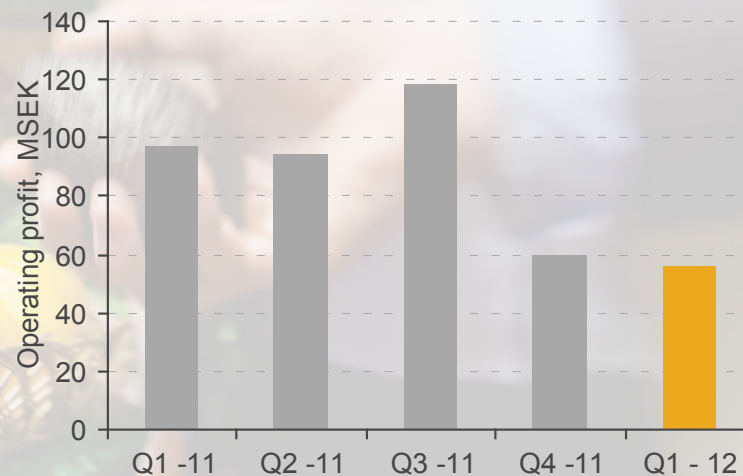
Market situation in Q1 2012

- Somewhat improved order situation
 - Slightly lower levels than normal
- Price cuts halted

PACKAGING BOARDS

Financials – Q1 2012 vs. Q4 2011

- Operating profit down by MSEK 4
- Lower prices were partly offset by higher sales volumes and lower costs



	Q1 -12	Q4 -11	Q1 -11	FY 2011
Net sales, MSEK	663	644	728	2,772
Operating profit, MSEK	56	60	97	370
Operating margin, %	8	9	13	13

MARKET PULP

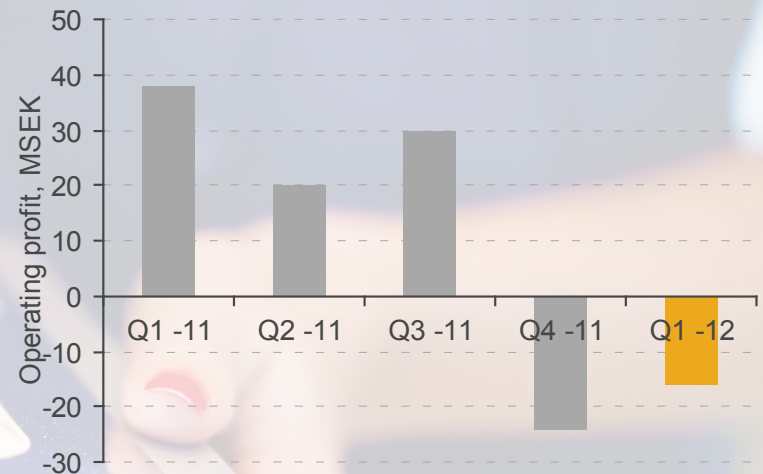
Market situation in Q1 2012

- Pulp market improved vs. Q4 2011
- Price increased to ~850 USD/tonne at end of Q1 2012 from ~825 USD/tonne at end of Q4 2011
- Price increase to 870 USD/tonne announced for April

MARKET PULP

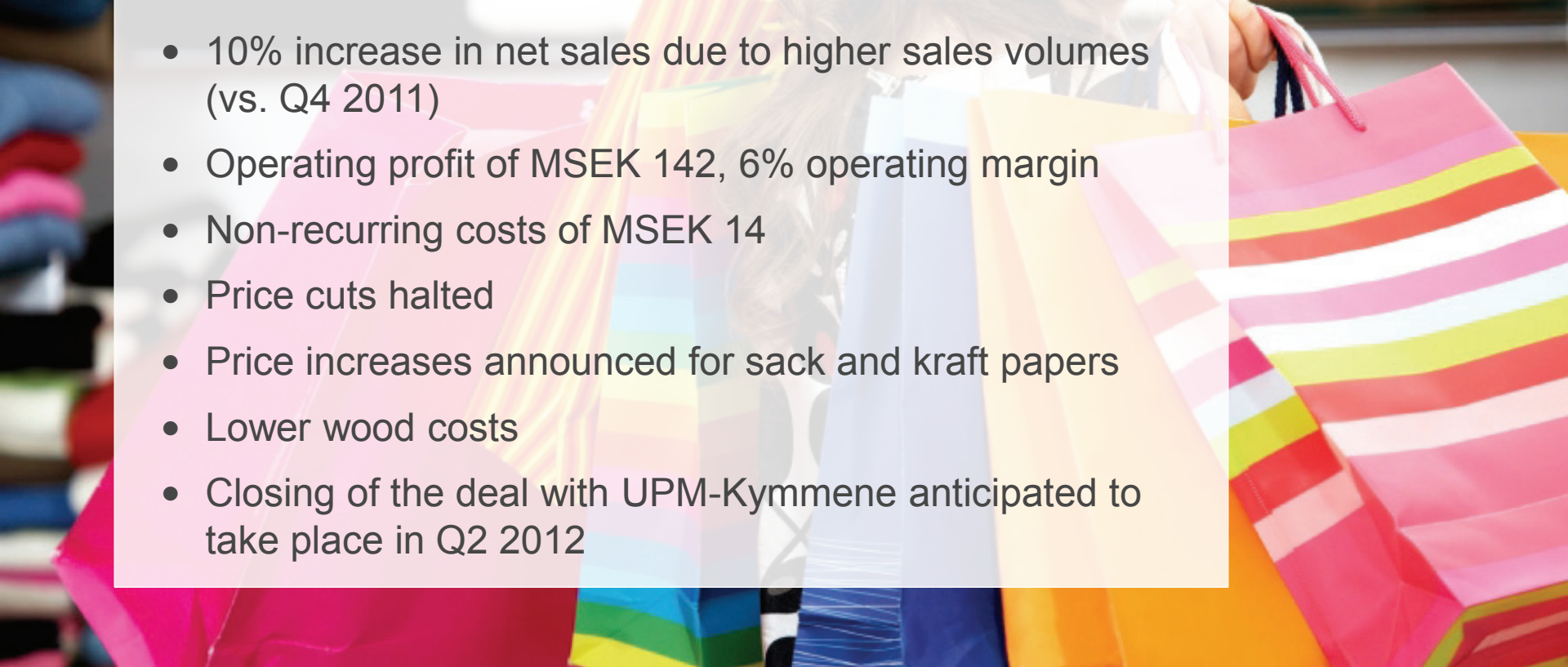
Financials – Q1 2012 vs. Q4 2011

- Operating profit improved by MSEK 8
- Higher sales volumes and lower fixed costs compensated for lower prices



	Q1 -12	Q4 -11	Q1 -11	FY 2011
Net sales, MSEK	436	416	436	1,752
Operating profit, MSEK	-16	-24	38	64
Operating margin, %	-4	-6	9	4

Q1 2012 IN SUM

- 
- 10% increase in net sales due to higher sales volumes (vs. Q4 2011)
 - Operating profit of MSEK 142, 6% operating margin
 - Non-recurring costs of MSEK 14
 - Price cuts halted
 - Price increases announced for sack and kraft papers
 - Lower wood costs
 - Closing of the deal with UPM-Kymmene anticipated to take place in Q2 2012

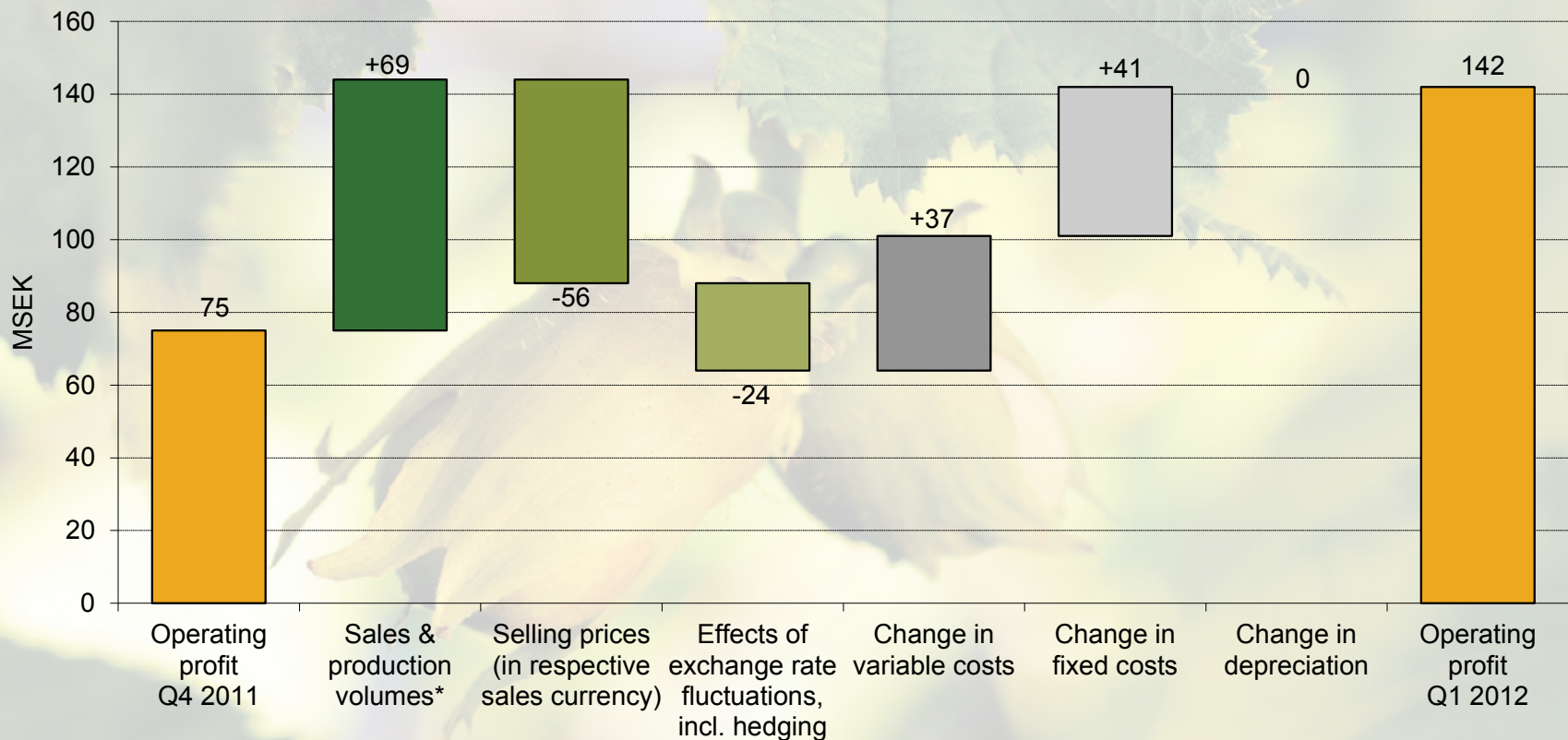
FINANCIAL INFORMATION



QUARTERLY KEY FIGURES

	Q1 -12	Q4 -11	Q1 -11
Net sales, MSEK	2,291	2,086	2,547
Operating profit, MSEK	142	75	332
Operating margin	6%	4%	13%
Profit/share, SEK	0.94	0.44	2.28
Net debt/equity ratio	-0.04	-0.05	0.05
Sales volume (ktonnes)	360	315	369

OPERATING PROFIT BRIDGE Q1 2012 vs. Q4 2011



* Includes product mix.

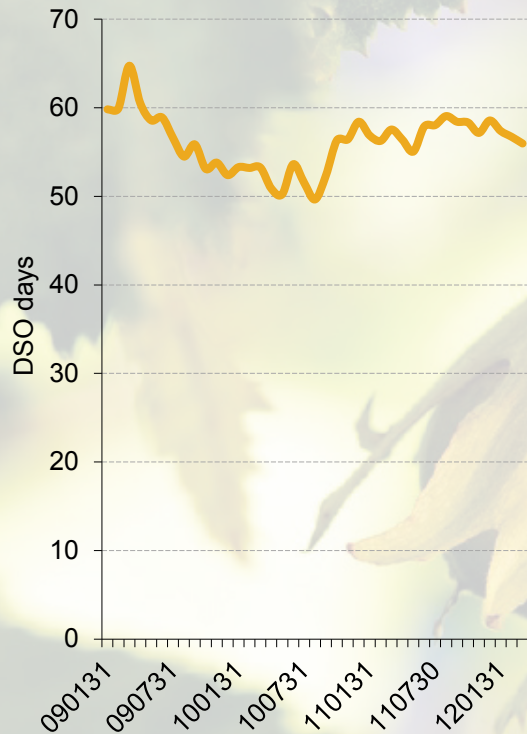
CASH FLOW GENERATION FROM OPERATION

MSEK	Q1 -12	Q4 -11	Q1 -11
Operating surplus, etc	298	238	481
Change in working capital, etc.	22	48	-301
Net financial items, taxes, etc.	-202	-12	-181
Cash flow from operating activities	118	274	-1
Current net investments	-155	-178	-82
Operating cash flow	-37	96	-83

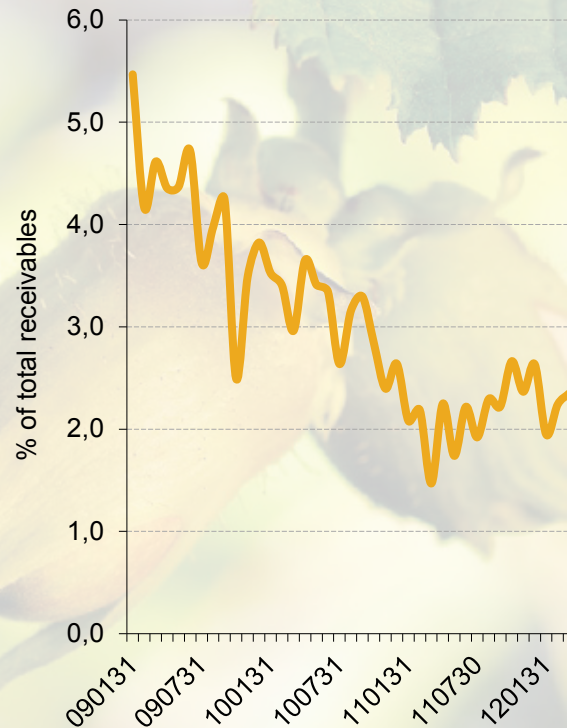
¹⁾ Minus equals increase in net debt

WORKING CAPITAL KEY RATIOS

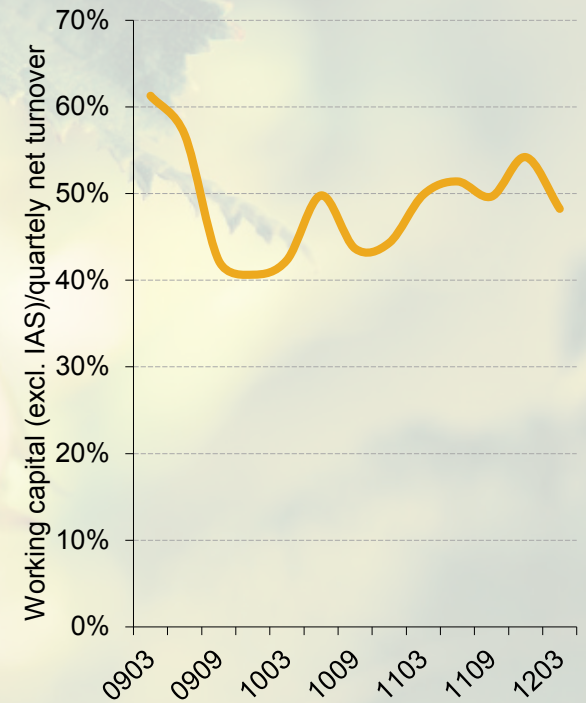
Days sales outstanding



Overdue

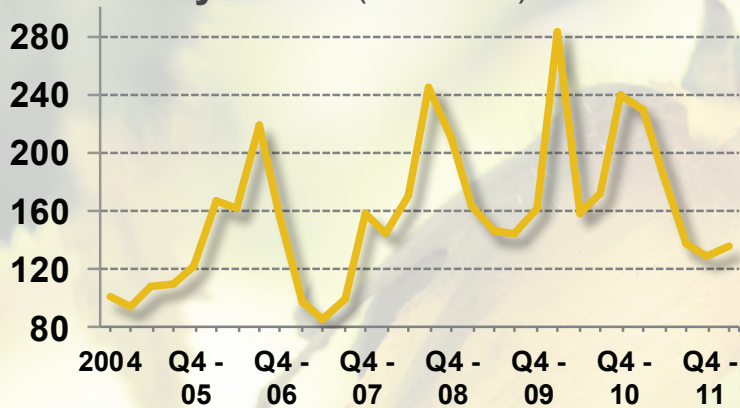


WC as % of quarterly sales



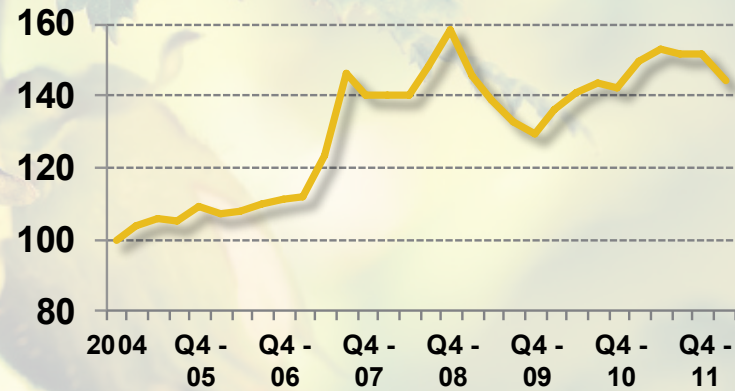
MARKET PRICES AFFECTING RESULT

Electricity index (Sweden*)



Source: Nordpool. *Price area Sweden

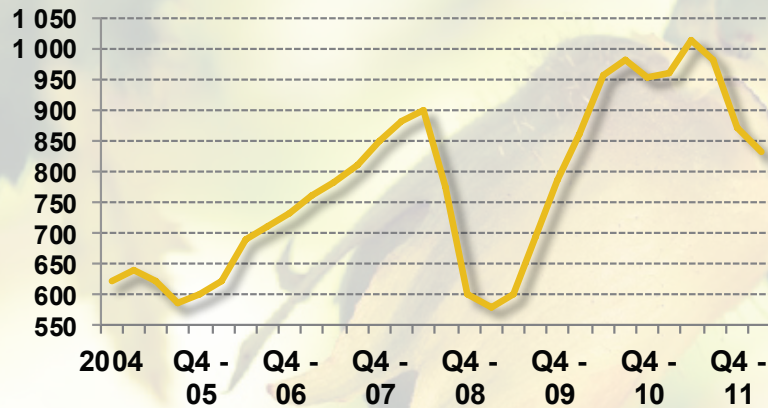
Wood price index



Source: Billerud

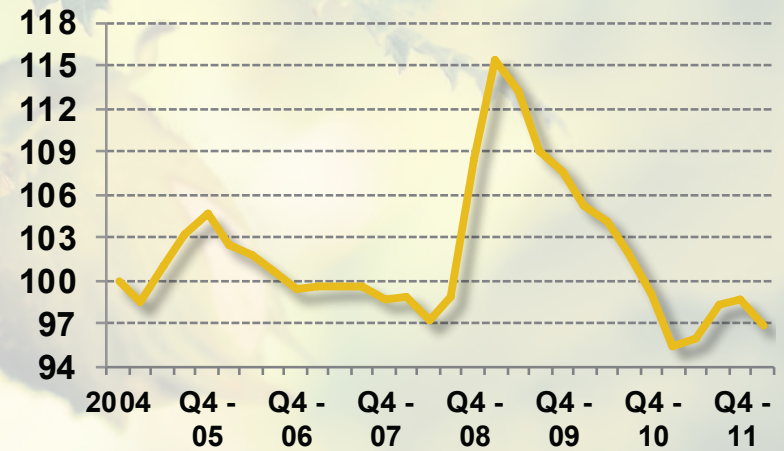
MARKET PRICES AFFECTING RESULT

Market pulp (USD/t)



Note: Average price for the quarter

TCW index*



Source: Riksbanken *Total Competitiveness Weights Index

CURRENCY SITUATION

- Profit effect of net flow hedging MSEK 44 (99) for Q1 2012
- Market value of outstanding contracts not relating to trade receivable was MSEK 38*

Hedge level 12 months forward:

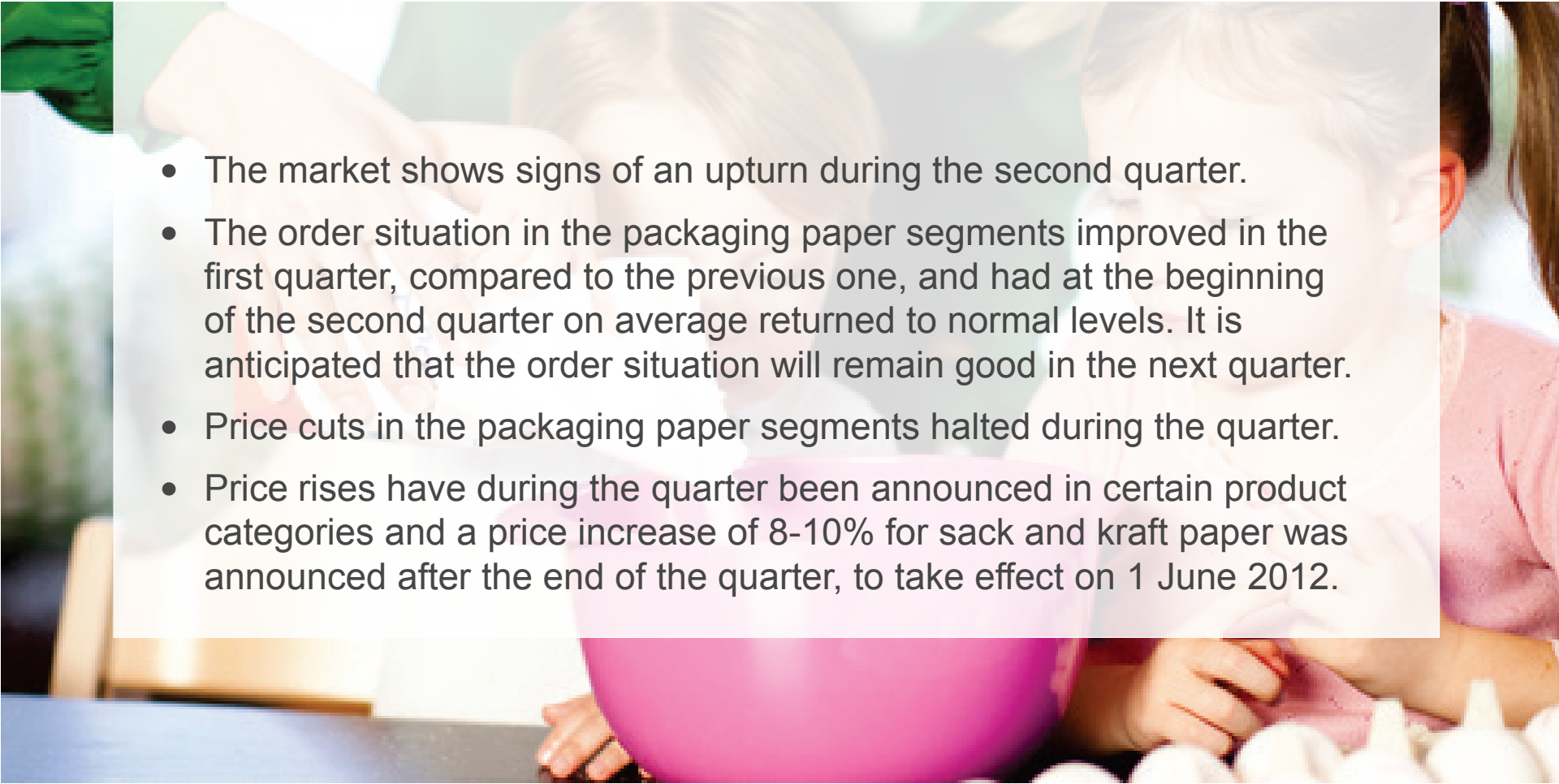
		Average hedged currency rates (<i>share of net flow</i>)				
		Q2 -12	Q3 -12	Q4 -12	Q1 -13	Total 12 months
EUR	50%	9.19	9.16	9.10	8,99	9.15
		(83%)	(65%)	(41%)	(14%)	(50%)
USD	49%	6.74	6.81	6.88	6.82	6.79
		(84%)	(57%)	(38%)	(16%)	(49%)
GBP	49%	10.58	10.68	10.74	10.71	10.65
		(83%)	(62%)	(36%)	(16%)	(49%)

Note: Data in table and graph are as of 31 March 2012. *As of 31 March 2012.

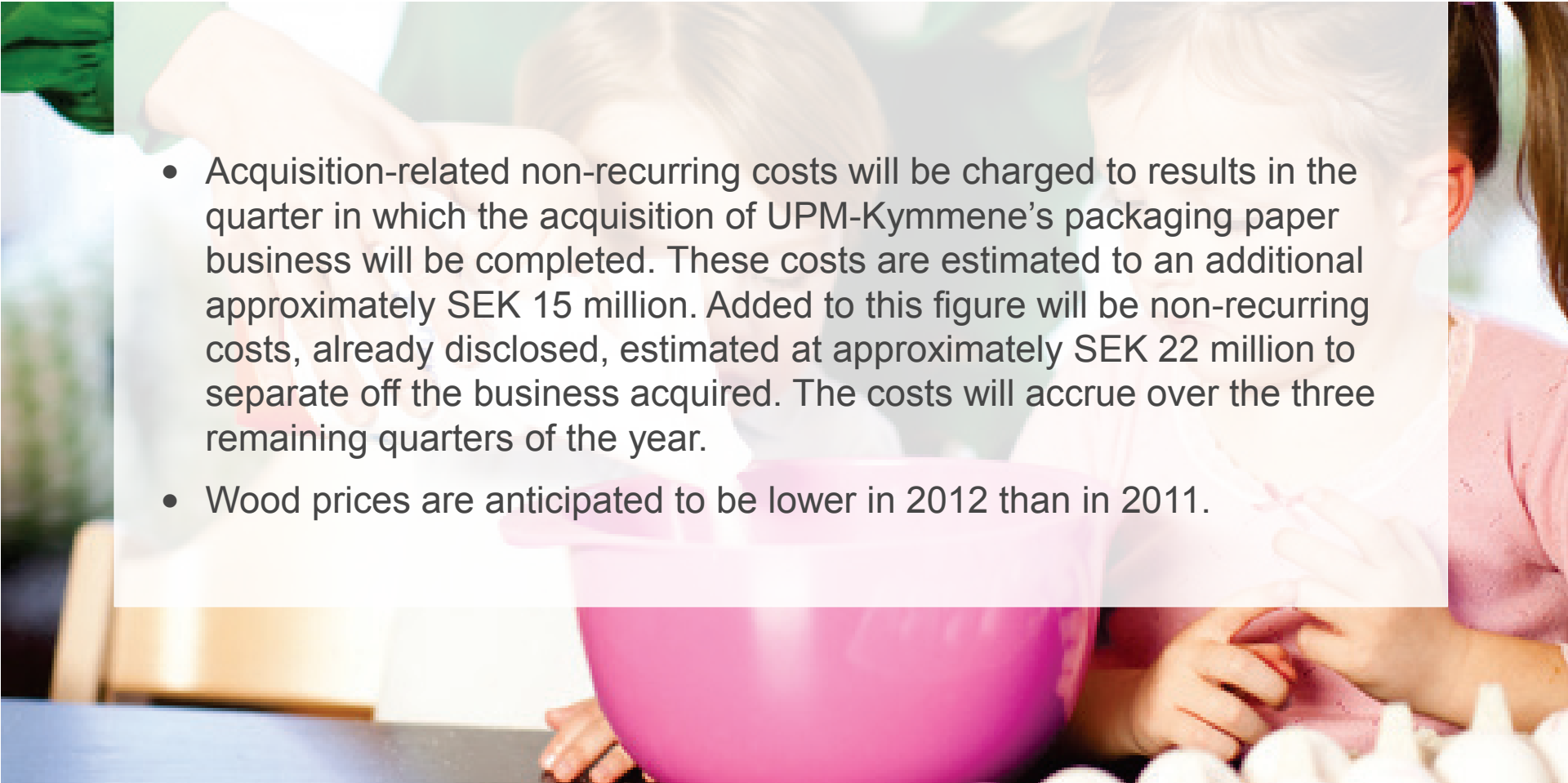
OUTLOOK



OUTLOOK

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- The market shows signs of an upturn during the second quarter.
 - The order situation in the packaging paper segments improved in the first quarter, compared to the previous one, and had at the beginning of the second quarter on average returned to normal levels. It is anticipated that the order situation will remain good in the next quarter.
 - Price cuts in the packaging paper segments halted during the quarter.
 - Price rises have during the quarter been announced in certain product categories and a price increase of 8-10% for sack and kraft paper was announced after the end of the quarter, to take effect on 1 June 2012.

OUTLOOK CONT.

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- Acquisition-related non-recurring costs will be charged to results in the quarter in which the acquisition of UPM-Kymmene's packaging paper business will be completed. These costs are estimated to an additional approximately SEK 15 million. Added to this figure will be non-recurring costs, already disclosed, estimated at approximately SEK 22 million to separate off the business acquired. The costs will accrue over the three remaining quarters of the year.
 - Wood prices are anticipated to be lower in 2012 than in 2011.

Q&A



EMBRACING THE {GOODS}

We believe in embracing what is important to our customers, our company, our employees and the environment. By always giving back more than we take, we are building a company for future generations.