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Billerud acquires Tenova Bioplastics AB

Billerud is further strengthening its know how in renewable packaging through the acquisition of Tenova Bioplastics AB, a Swedish innovation company based in Norrköping that produces compostable carrier bags made of bioplastic. Tenova's largest customer is ICA AB. The company has sales turnover of MSEK 35 and is a market leader in its field in Sweden.

– This acquisition fits well into our long-term strategy. Billerud is a leader in sustainable packaging solutions made of renewable raw materials, and we are continually looking for new products and applications that will develop our business. Bioplastic will be a good complement to paper for renewable packaging, and in the long term the combination of paper with barriers made of bioplastic will be a highly attractive alternative for many different types of packaging. Tenova is a leader in the rapidly expanding bioplastic field, which provides Billerud with a platform for the future. The acquisition strengthens our product offer in the consumer sector, which is less sensitive to the economic cycle, says Per Lindberg, CEO of Billerud.

At present, bioplastic is primarily made of polylactic acid or starch mixed with compostable polyesters. The material is biologically degradable and compostable. If it is burnt it generates less carbon dioxide over its lifecycle than oil-based plastic. Tenova's products include carrier bags, waste and compost bags, and can be used as a barrier in packaging for food and hygiene items, for example. A barrier made of bioplastic can replace plastic or aluminium barriers in many applications, resulting in a lower environmental impact.

– Having Billerud as a strong and long-term owner will give us the stability and global sales organisation that we need to grow. The company's knowledge and competence in paper and packaging will help us develop tomorrow's packaging material together, says Magnus Jaeger, founder and CEO of Tenova.

The purchase sum includes a fixed amount and an option for an additional amount based on earnings development from 2009 to 2011. Tenova AB will be consolidated within the Billerud Group as of 1 February 2009 and is expected to contribute to a small positive effect on earnings per share in 2009.

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Billerud AB (publ)

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The information is such that Billerud is obligated to publish under the Swedish Securities Exchange and Clearing Operations Act

Billerud is a packaging paper company with a business concept to supply customers with innovative and high quality packaging paper. A consistent concentration on attractive market segments and a strong customer focus are cornerstones of Billerud's strategy. Billerud focuses on kraft paper and containerboard and has a world-leading position within several product segments. The company's production units are among the most cost-efficient in Europe for these products