



Interim report January-June 2008

Submitted for publication at 9 a.m. on 24 July 2008

	Quarter			January-June	
	2008 II	2008 I	2007 II	2008	2007
Net turnover, MSEK	1 949	2 096	1 884	4 045	3 816
Operating profit, MSEK	114	214	17	328	194
Operating margin, %	6	10	1	8	5
Profit/loss after financial items, MSEK	77	180	-9	257	142
Net profit/loss, MSEK	57	130	-9	187	98
Earnings per share, SEK	1.11	2.52	-0.17	3.63	1.91

January-June 2008 compared with January-June 2007

- Net turnover was MSEK 4,045 (3,816).
- Net profit was MSEK 187 (98).
- Earnings per share were SEK 3.63 (1.91).
- Operating profit climbed by 69% to MSEK 328 (194).
- The market situation and demand weakened on most of Billerud's markets towards the end of the period.
- Supplies of wood were good. So far this year wood costs have remained at the same high level established in the second half of 2007.
- The operating margin was 8% (5).

April-June 2008 compared with January-March 2008

- Demand weakened on most of Billerud's markets due to a generally weaker business cycle and inventory adjustments in the customer chain. Production in the second quarter was reduced slightly to compensate for weaker demand. Prices in local currency are mainly unchanged.
- Cost reductions of MSEK 29 per year were achieved during the quarter within the framework to reduce costs per year by MSEK 150 up to the end of 2009, as announced in the first quarter of 2008.

Outlook for 2008

- The general business cycle has weakened on Billerud's markets.
- The tendency is for the cost of most input materials to continue rising.
- To maintain profitability at the current level, price increases and/or improvements in the product mix will be necessary, along with continued focus on cost savings.

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**Billerud's President Per Lindberg and CFO Bertil Carlsén will present the interim report at a webcasted press conference for analysts and journalists today, 24 July, at 12.30.
Location: Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm.**

Comment by Per Lindberg, Billerud CEO

"We are proud to report earnings for the first half of the year that yields a return on working capital of 13% and a return on equity of 15% over rolling 12 months. During the first two quarters we have maintained the operating margin of 8% that we achieved last year, and reduced our energy costs.

The international forest products industry is facing many challenges right now. Billerud's comparative strength is that we primarily operate in niches that feature a long-term stable growing demand for effective and eco-friendly packaging.

The effect of weaker demand due to a generally weakened business cycle that we could not rule out in the first quarter affected to some extent the second quarter. The increased concern for the business cycle in the second half of this year and beyond, we will meet with the same strategy we have benefitted from so far. This means continued hard work aimed at selling the value creation offered by our products to our customers and end-users. We will also continue to develop our products and continue to improve our efficiency and reduce costs."

Billerud Group

Market

The market and demand situation for most of Billerud's products weakened during the second quarter due to a generally weaker business cycle. This mainly affected delivered volumes. In general the price trend remained stable in local sales currencies, although there were limited opportunities for price increases in some product segments.

Billerud's total deliveries during the second quarter of 2008 amounted to 315,000 tonnes, down 7% on the first quarter of 2008. The fall is primarily due to lower production caused by the planned maintenance stop at one of Billerud's larger mills in the second quarter, and due to lower demand for certain products in the second quarter compared with the first. In the first six months of 2008, deliveries amounted to 655,000 tonnes, a decline of 3% compared with the same period last year.

Deliveries of packaging paper during the second quarter amounted to 236,000 tonnes, down 7% on the first quarter of 2008. In the first half of the year, deliveries of packaging paper amounted to 491,000 tonnes, compared with 501,000 tonnes in the corresponding period in 2007. Overall, the order situation for packaging paper was down slightly.

Billerud's deliveries of Nordic long-fibre sulphate pulp amounted to 79,000 tonnes during the quarter, down 7% compared with the previous quarter. In the first half of the year, deliveries of long-fibre sulphate pulp amounted to 164,000 tonnes, compared with 173,000 tonnes in the corresponding period in 2007. Demand for long-fibre sulphate pulp weakened during the second quarter, and the price rose from USD 880 per tonne to USD 900 per tonne.

Sales and results

Second quarter compared with first quarter

Net turnover for the second quarter was MSEK 1,949, down 7% on the previous quarter. Lower turnover was due to a 7% reduction in volumes delivered. In respective sales currency, the price level is mainly unchanged.

The operating profit was MSEK 114, a decrease of MSEK 100, or 47%, on the previous quarter, mainly due to the costs of the planned maintenance stop at Skärblacka and to lower delivered volumes. The costs of the planned maintenance stop including costs for lost production amounted to around MSEK 75.

During the quarter production was reduced to a small extent within some product areas to adjust to lower demand for these products and to stock reductions in the customer chain.

Earnings for each business area are presented on page 6.

Net financial items were MSEK -37. Earnings after financial items were MSEK 77.

January-June 2008 compared with January-June 2007

Net turnover was MSEK 4,045, up 6% on the same period previous year. The increase was mainly due to higher prices and an improved customer mix.

The operating profit was MSEK 328, a rise of MSEK 134, or 69%, on the same period previous year.

The difference was mainly due to the following components (MSEK):

	Q 1-08/ Q 1-07	Q 2-08/ Q 2-07	Jan-June 08/ Jan-June 07
Delivery and production volumes, including product mix	-7	-6	-13
Sales prices (in respective sales currency)	218	157	375
Change in variable costs	-123	-87	-210
Change in fixed costs	-6	60	54
Change in depreciation	-3	-4	-7
Effects of exchange rate changes, including hedging	-42	-23	-65
Total change in operating profit / loss	37	97	134

The negative deviation in volumes and product mix of MSEK -13 is the net outcome of a positive deviation concerning the customer mix and a negative deviation concerning volumes and product mix. The increase in variable costs of MSEK -210 consists mainly of higher wood material costs (MSEK -216) that were partly compensated for by lower energy costs (MSEK 12). The cost of wood materials per produced tonne in the first half of 2008 was at the same high level as in the second half of 2007.

Fixed costs have been reduced mainly due to lower maintenance costs. One planned maintenance stop (Skärblacka) was carried out during the period, whereas two planned maintenance stops (Skärblacka and Gruvön) were carried out in the same period last year, which affects the comparison positively in terms of production volumes, fixed costs and to a certain extent variable costs. The costs of the two planned maintenance stops during the first half of last year, including product losses, amounted to around MSEK 210, of which MSEK 50 was higher than expected due to complications at Gruvön. The cost of the planned maintenance stop at Skärblacka this year was MSEK 75.

The operating margin for the first half of the year was 8% (5) and is divided fairly evenly among all of Billerud's mills, with the exception of Beetham, which has a lower operating margin although it shows a significant improvement on the previous year.

Net financial items were MSEK -71, down MSEK 19 mainly due to higher interest rates and slightly higher net debt.

The estimated tax cost was MSEK -70, representing a tax rate of approximately 28%.

Significant risks and uncertainties

Billerud's products are generally dependent on the business cycle in terms of both price development and delivery volumes. The Group is exposed to changes in currency exchange rates because most of the revenues are invoiced in foreign currency while costs are incurred in SEK.

Billerud does not own forest and purchases wood materials at market rates from a few major suppliers. Due to wood shortages and the gradual introduction of export duties on wood from Russia, prices have risen.

To meet growing competition for wood, Billerud has formed a raw materials company, Billerud Skog AB whose role will be supply raw materials to Billerud's mills. The wood purchasing department has thereby been strengthened with resources to handle a larger number of suppliers in future and handle all forms of forest purchasing. Supplies to all of Billerud's mills were satisfactory in the first half of 2008.

Inventory levels of wood materials and standing forest have increased as a result of Billerud Skog's efforts in 2007 and 2008.

For an analysis of business sensitivity and further details of risks, see pages 57-61 of Billerud's 2007 Annual Report.

On 10 December 2007 the Swedish Environmental Protection Agency announced that it was fining Billerud MSEK 19 for incorrect reporting of emission rights utilised in 2006. Billerud's assessment is that the company has fulfilled its commitments and that a penalty of MSEK 19 is neither proportionate nor backed by law. Billerud has appealed against the decision and the only provision in the 2007 accounts relating to this matter is for an assessed late payment charge of SEK 80,000. There has been no further development in this matter.

Transactions with related parties

No transactions have been carried out between Billerud and related parties that would significantly affect the position and results of the company.

Currency hedging

In the first half of 2008 net flows were hedged at the following rates: EUR/SEK 9.34 (9.23), USD/SEK 6.52 (7.04), GBP/SEK 13.19 (13.55) and DKK/SEK 1.25 (1.23). Currency hedging had an overall positive effect on profits of MSEK 66 (-27) (compared with if no hedging had been performed).

Billerud's outstanding currency contracts as of 30 June 2008 had a market value of MSEK 13. The share of contracts corresponding to accounts receivable affected results during the period. Other contracts had a market value of MSEK 5.

The hedged amount of currency flows and exchange rate for SEK in relation to EUR, USD and GBP are shown in the table below. DKK accounts for just 0.5% of total hedged flows and is therefore not included in the table.

Hedged amount of currency flows and exchange rate for SEK in relation to EUR, USD and GBP

Currency		July-Sept 2008	Oct-Dec 2008	Jan-June 2009	Total 12 months
EUR	Proportion of total flow	93 %	94 %	40 %	67 %
	Rate	9.41	9.43	9.46	9.43
USD	Proportion of total flow	84 %	52 %	9 %	40 %
	Rate	6.31	6.29	6.10	6.29
GBP	Proportion of total flow	95 %	62 %	11 %	43 %
	Rate	12.27	11.88	11.79	12.07

As of 3 July 2008, Billerud has hedged around 67% of estimated net flows in EUR over 12 months, around 40% of estimated net flows in USD over 12 months, around 43% of estimated net flows in GBP over 12 months and around 40% of estimated net flows in DKK over 12 months.

Investments and capital employed

Gross investment amounted to MSEK 381 (323). Depreciation in the first half of the year amounted to MSEK 248 (241).

Billerud has acquired 70% of the shares in Cebeco Mediena Uab, a company in Lithuania that trades in pulpwood. The company has annual sales of around MSEK 100. Billerud has an option to acquire the remaining 30% of the company. Payment for the acquisition will be made in instalments up to 2010.

Billerud's capital employed amounted to MSEK 5,866 as of 30 June 2008, compared with MSEK 5,506 on 31 December 2007.

The return on capital employed over the most recent 12 months was 13% (11). The return on shareholders' equity after tax was 15%. If the effects of currency hedging are not included, the return on capital employed was 11% (10).

Cash flow and financial position

Cash flow from current activities in the first half of 2008 amounted to MSEK 217, compared with MSEK 301 in the same period previous year. The reduction was due to the increase in working capital as a result of lower operating liabilities and to some extent increased inventory including advance purchases of standing forest. Cash flow from investing activities including company acquisitions amounted to MSEK -380 (-322). Investment in measures to improve quality for MG and MF kraft paper for key customer segments were largely completed by the end of the second quarter. Investment has been carried out on PM7 at Skärblacka and on PM2 at Gruvön. The investment volume in the second half of 2008 will therefore be lower than in the first half of the year.

Operating cash flow amounted to MSEK -163, compared with MSEK -21 in the first half of 2007. The dividend for 2007 of SEK 3.50 per share, a total of MSEK 180, was paid out in May 2008. The net debt increased by MSEK 355 during the first half of 2008.

Interest-bearing net debt as of 30 June 2008 was MSEK 2,962, compared with MSEK 2,607 as of 31 December 2007 and MSEK 2,708 as of 30 June 2007.

The Group's net debt/equity ratio at the end of the period was 1.02, compared with 0.90 at the end of 2007 and 1.02 on 30 June 2007. According to Billerud's financial targets, the ratio should be between 0.6 and 0.9.

Cash flow summary

	Jan- June 2008	Jan- March 2008	Apr- June 2008	Jan- June 2007
MSEK (positive figure indicates a reduction in debt)				
Operating surplus etc	544	346	198	375
Change in working capital etc.	-246	-256	10	-14
Net financial items, taxes, etc.	-81	-34	-47	-60
Cash flow from current activities	217	56	161	301
Current net investments, excluding energy projects	-380	-164	-216	-316
Energy project investments	-	-	-	-6
Acquisition of shares in group companies	0	-	0	-
Operating cash flow	-163	-108	-55	-21
Dividend	-180	-	-180	-180
Other items not affecting cash flow	-12	5	-17	6
Change in net debt during the period	-355	-103	-252	-195

Financing

Interest-bearing loans as of 30 June 2008 amounted to MSEK 3,251. This includes utilisation of MSEK 323 of a syndicated bank loan (maximum: MSEK 1,800), utilisation of MSEK 1,682 of bond loans, utilisation of MSEK 1,232 of Billerud's commercial paper programme (maximum: MSEK 1,500) and other interest-bearing liabilities amounting to MSEK 14.

Personnel

The average number of employees during the first half of the year was 2,340, compared with 2,389 one year earlier, i.e. a reduction of 49 employees. In the second quarter of 2008 an adjustment has been made when calculating staff statistics that affects comparisons between periods. If the comparable statistics are adjusted accordingly the reduction in the average number of employees is 72.

Business areas

Billerud's net turnover and operating profit/loss per business area are reported below. The results of the business areas are reported excluding the effects of currency hedging and excluding the effects on profit/loss of revaluation of customer receivables in foreign currency and currency effects in connection with payments. These effects are reported on a separate line, Currency hedging etc. The part of currency exposure relating to changes in invoicing rates continues to be included in the results of the business areas.

Billerud is monitored and controlled operationally from a business area perspective. This applies for sales, operating profit/loss, product development and market investments. With regard to fixed assets and capital investments a division into business areas with the chosen structure is not possible as the business areas are strongly integrated in terms of production. For accounting purposes and with regard to the definition of business segments in IAS 14, the company will continue to conduct its activities in one business segment.

Net turnover and operating profit

MSEK	Net turnover						Operating profit					
	Q 2 2008	Q 1 2008	% change.	Jan- june 2008	Jan- June 2007	% change.	Q 2 2008	Q 1 2008	% Change.	Jan- June 2008	Jan- June 2007	% change.
Packaging & Speciality Paper	976	1 033	-6	2 009	1 948	3	50	141	-65	191	115	66
Packaging Boards	566	644	-12	1 210	1 048	15	50	86	-42	136	44	209
Market Pulp	366	414	-12	780	814	-4	-15	19		4	48	-92
Currency hedging etc.	37	-14		23	6		37	-14		23	6	
Other and eliminations	4	19		23	-		-8	-18		-26	-19	
Total Group	1 949	2 096	-7	4 045	3 816	6	114	214	-47	328	194	69

General development of Billerud's business areas

Second quarter

The planned maintenance stop at Skärblacka affected delivery volumes negatively and meant increased fixed costs compared with the first quarter, which reduced operating margins for all business areas but especially for the Packaging & Speciality Paper business area.

January-June

Comparisons with the previous year are affected by the fact that only one planned maintenance stop was performed in the second quarter of 2008 whereas two planned maintenance stops were performed in the second quarter of 2007.

Packaging & Speciality Paper

Second quarter

The operating profit for the period was MSEK 50. Compared with the first quarter of 2008, profit decreased by MSEK 91, or 65%, mainly due to higher fixed costs on lower delivery volumes that were in turn caused by the planned maintenance stop and lower production volumes. The operating margin was 5%, down from 14% in the first quarter of 2008.

January-June

The operating profit increased by MSEK 76, or 66%, to MSEK 191, mainly due to higher prices.

Market development

The market in general weakened during the second quarter of 2008 as the business cycle weakened. The market for sack paper remains stable however, although there are signs of a downturn in Europe. Reduced activity primarily in the building sector in southern Europe led to a reduction in customer stocks of sack paper with fewer deliveries as a result. Demand for sack paper on non-European markets remains good. The order situation for sack paper during the quarter has overall remained satisfactory. Prices in respective sales currency are stable. Other product markets weakened slightly in the period.

The price situation indicates a weak downward trend, although with variations between markets and product areas. Continued weakening of the business cycle inside and outside Europe in coming quarters may further affect prices and the market mix within the business area.

Packaging Boards

Second quarter

The operating profit was MSEK 50. Compared with the first quarter of 2008, operating profit fell by MSEK 36, or 42%, mainly due to higher fixed costs and lower delivery volumes, which in turn were caused by the planned maintenance stop and lower production volumes. The operating margin decreased to 9%

January-June

The operating profit climbed by MSEK 92, or 209%, to MSEK 136, partly due to reduced fixed costs from just one planned maintenance stop in the first half of 2008 compared with two in the corresponding period last year, and partly due to higher volumes and improved prices.

Market development

The corrugated market slowed in the second quarter of 2008 as the business cycle weakened. Demand for S/C fluting in Europe and in North Africa in particular declined somewhat during the quarter due to unusually poor fruit harvests, with a seasonal decline coming sooner than expected. The long-term outlook for fluting remains strong however. Price increases of EUR 40 per tonne for fluting that were announced as of 1 April 2008 have been implemented in part during the quarter. There are good prospects for full implementation of the price increases later in the year.

Demand for liner during the quarter weakened slightly compared with the previous quarter and then stabilised at a lower level. At present there is surplus capacity for liner based on recycled fibre in Europe, which may marginally affect prices for liner based on primary fibre.

Market Pulp

Second quarter

The operating loss was MSEK -15. Compared with the previous quarter, operating profit dropped by MSEK 34, mainly due to higher fixed costs but also due to the change in SEK/USD exchange rate. Price increases offset the decrease in earnings to some extent.

January-June

The operating profit fell by MSEK 44, mainly due to reduced volumes.

Market development

Only half of the price increase for long-fibre sulphate pulp (NBSK) from USD 880 per tonne to USD 920 announced in the first quarter was implemented in the second quarter. Demand slowed slightly and due to stock run-downs at the production units closed during the quarter, supplies of long-fibre pulp were not affected during the quarter.

Parent company

Billerud AB includes the Gruvön mill, the sales organisation for the Nordic markets and markets outside Europe, and head office staff.

Net turnover in the first half of 2008 amounted to MSEK 1,783 (1,580). The operating profit was MSEK 126 (-6), a climb of MSEK 132 compared with the same period previous year, mainly due to improved earnings at Gruvön.

The parent company hedges both its own net currency flows, and those of the Group. The parent company's results include the results of hedging which also cover flows for the rest of the Group. This result amounted to MSEK 66 (-27).

Investment in tangible and intangible fixed assets amounted to MSEK 166 (203). The average number of employees was 1,024 (1,047). Liquid assets and current investments amounted to MSEK 394 (194).

Seasonal variations

Maintenance stops

In addition to continuous maintenance while machines are running, Billerud's mills normally require more extensive maintenance at some point during the year. To perform this maintenance, production of pulp and paper is stopped during the so-called planned maintenance stop. Completed and planned maintenance stops are shown below.

Mill	2008	2007
Gruvön	Q 4, 11 days	Q 2, 8 days
Karlsborg	Q 3, 10 days	Q 3, 7 days
Skärblacka	Q 2, 8 days	Q 2, 7 days
Beetham	Q 3, 13 days	Q 3, 24 days

The effect of the stoppage on earnings varies depending on the extent of measures carried out, their character and the actual length of stoppage.

Other seasonal variations

A significant portion of Billerud Flute® volumes are used to package fruit exports from the Mediterranean region. Demand from this customer group varies over the fruit export season and is normally highest from September to March.

A significant portion of Billerud's sack paper and QuickFill® sack paper is used to package cement and building material. Demand for building material in Europe is generally higher from June to September.

Additional measures to reduce costs

During the second half of 2007 work started aimed at identifying further efficiency measures to reduce Billerud's variable costs. This work included, among other things, a review of wood consumption, recipe and product specifications, the production mix, and the identification of further opportunities to improve efficiency within the business. Alongside these efforts, there has been a focus on identifying additional improvements in efficiency of administration within the One Billerud project, and a review of extra investments in energy use.

During the first quarter a decision was taken to carry out a programme of identified cost savings within the business based on the potential identified. The implementation of this programme is expected to generate an annual effect of MSEK 150 on earnings compared with cost levels in 2007. It requires an investment of MSEK 50. The annual rate of implementation is calculated at around MSEK 50 by the end of 2008 and MSEK 150 by the end of 2009. As of 30 June 2008 annual savings of MSEK 29 have been achieved within the framework for these measures.

The savings will primarily be achieved in variable costs attributable to energy efficiency and wood consumption. Billerud's administration processes will also be made more efficient.

Largest shareholders

Billerud's ten largest shareholders according to the register of VPC (the Swedish Securities Register Centre) and Sanderson Asset Management as of 30 June 2008 (excluding 1.9 million shares owned by the company itself and shares owned by deposit banks):

Owner	No. of shares (million) (shares = votes)	Proportion of shares on market, %
Frapag Industrieholding GmbH	9.3	18.0
Sanderson Asset Management	3.0	5.8
Credit Suisse International	2.3	4.5
Clearstream Banking	1.4	2.8
SEB Funds/SEB Trygg Liv/Securities	1.2	2.3
Citibank	1.0	2.0
Gladiator	1.0	1.9
Apoteket AB:s Pensionsstiftelse	0.8	1.5
Nordea	0.7	1.4
Swedbank incl Swedbank Robur Fonder	0.7	1.3
Total 10 largest	21.4	41.5
Total Billerud excluding own holding	51.5	100

The share of foreign ownership was 48.6% of total shares on the market. The total number of shareholders (including nominees) was around 119,200.

The Billerud share

The share capital amounted to SEK 666,788,037.50 divided among 53,343,043 shares as of 30 June 2008. There were 51,491,570 shares on the market.

As of 30 June 2008 the distribution of shares was as follows:

Registered amount of shares	53 343 043
<u>Treasury shares</u>	<u>- 1 851 473</u>
Shares on the market	51 491 570

Since the end of 2004 there have been no acquisition of own shares.

During the quarter an offer was made to Billerud shareholders to sell holdings of less than 100 shares without having to pay commission. This scheme has resulted in the sale of 1.6 million Billerud shares on the stock exchange and a reduction of around 20,000 in the overall number of shareholders.

Outlook for full year 2008

The general business cycle has weakened on Billerud's markets.

The tendency is for the cost of most input materials to continue rising.

To maintain profitability at the current level, price increases and/or improvements in the product mix will be necessary, along with continued focus on cost savings.

The interim report provides a fair view of the parent company's and Group's activities, position and earnings, and describes the significant risks and uncertainties facing the parent company and Group.

Stockholm
23 July 2008
Billerud AB (publ)

Ingvar Petersson
chairman

Michael M.F. Kaufmann,
deputy chairman

Stewe Cato
director

Gunilla Jönson
director

Per Lundberg
director

Ewald Nageler
director

Per Nilsson
director

Yngve Stade
director

Meg Tivéus
director

Per Lindberg
CEO

The information is such that under the Securities and Clearing Operations Act, Billerud AB is obligated to publish it.

Future financial reports

Third quarter 2008	13 November 2008
Financial Statement 2008	11 February 2009
First quarter 2009	28 April 2009
Second quarter 2009	23 July 2009
Third quarter 2009	28 October 2009

2009 AGM	6 May 2009
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Review report

Introduction

We have conducted a review of the financial interim information for Billerud AB at 30 June 2008 and of the six-month-period ending on that date. The Board of Directors and the CEO are responsible for preparing this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report for the Group, in all material respects, is not prepared in accordance with IAS 34 and the Annual Accounts Act, and the interim report for the Parent Company is not prepared in accordance with the Annual Accounts Act.

Stockholm, 23 July 2008

KMPG Bohlins AB

Caj Nackstad
Authorized Public Accountant

Billerud Group

Accounting principles

The accounts are prepared in accordance with IAS 34 Interim reports and RR 31 Group Interim Reports. Concerning IAS 14 Segment reporting, see the comments on the business areas on page 6 of this report. The same accounting principles used in the most recent annual report have been used in this interim report. For definitions of key figures see the 2007 Annual Report pages 67-72 and page 87.

Profit and Loss Accounts	3 months			6 months		Full year
	Apr-June 2008	Jan-March 2008	Apr-June 2007	Jan- June 2008	Jan-June 2007	Jan-Dec 2007
MSEK						
Net turnover	1 949	2 096	1 884	4 045	3 816	7 758
Other operating income	4	2	3	6	5	12
Total operating income	1 953	2 098	1 887	4 051	3 821	7 770
Raw materials and consumables	-922	-1 049	-844	-1 971	-1 706	-3 734
Change in inventories	16	59	-62	75	-78	82
Other external costs	-448	-429	-514	-877	-952	-1 776
Staff costs	-360	-342	-329	-702	-650	-1 277
Depreciation and impairment of fixed assets	-125	-123	-121	-248	-241	-473
Profit/loss from participation in associated companies	0	0	0	0	0	-2
Total operating expenses	-1 839	-1 884	-1 870	-3 723	-3 627	-7 180
Operating profit/loss	114	214	17	328	194	590
Financial items	-37	-34	-26	-71	-52	-117
Profit/loss after financial items	77	180	-9	257	142	473
Tax	-20	-50	0	-70	-44	-137
Net profit/loss for the period	57	130	-9	187	98	336
Earnings per share, SEK	1.11	2.52	-0.17	3.63	1.91	6.52
Earnings per share after dilution, SEK	1.11	2.51	-0.17	3.62	1.91	6.52
Balance Sheet			30 June	30 June	31 March	31 Dec
MSEK			2008	2007	2008	2007
Fixed assets			5 849	5 618	5 744	5 712
Inventories			1 059	742	1 007	936
Accounts receivable			1 410	1 402	1 508	1 486
Other current assets			366	280	307	350
Liquid funds			469	425	410	718
Total assets			9 153	8 467	8 976	9 202
Shareholders' equity			2 904	2 643	3 021	2 898
Interest-bearing liabilities			3 251	2 964	2 942	3 152
Interest-bearing provisions, pensions			181	170	179	173
Non-interest-bearing provisions			37	86	37	42
Deferred tax liabilities			1 370	1 235	1 368	1 369
Accounts payable			546	580	594	870
Other, non-interest-bearing liabilities			864	789	835	698
Total shareholders' equity and liabilities			9 153	8 467	8 976	9 202
Specification of changes in equity, MSEK		Jan-June	Jan-June	Jan-March	Full year	
MSEK		2008	2007	2008	2007	
Opening balance		2 898	2 678	2 898	2 678	
Profit/loss for the period		187	98	130	336	
Change in hedging reserve		4	31	0	52	
Dividend		-180	-180	-	-180	
Convertible loan converted into shares		-	7	-	7	
Sale of treasury shares, incentive programme (LTIP)		-	6	-	6	
Change in market value of incentive programme		1	0	0	1	
Translation difference in shareholders' equity		-6	3	-7	-2	
Closing balance		2 904	2 643	3 021	2 898	

Cash Flow Statement	Apr-June	Jan-March	Jan-June	Jan-June	Jan-Dec
MSEK	2008	2008	2008	2007	2007
Operating surplus, etc 1)	198	346	544	375	960
Change in working capital, etc.	10	-256	-246	-14	-102
Net financial items, taxes, etc.	-47	-34	-81	-60	-128
Cash flow from operating activities	161	56	217	301	730
Investment in fixed assets	-216	-165	-381	-323	-657
Acquisition of shares in group companies	0	-	0	-	-
Sale of fixed assets	0	1	1	1	1
Cash flow from investing activities	-216	-164	-380	-322	-656
Change in interest-bearing liabilities	293	-197	96	176	375
Dividend	-180	-	-180	-180	-180
Sale of treasury shares, incentive programme (LTIP)	-	-	-	6	6
Cash flow from financing activities	113	-197	-84	2	201
Total cash flow (= change in liquid assets)	58	-305	-247	-19	275
Liquid assets, opening balance	410	718	718	443	443
Exchange rate differences in liquid assets	1	-3	-2	1	0
Liquid assets, closing balance	469	410	469	425	718

1) The amount for January-June 2008 includes an operating profit of MSEK 328, returned depreciation of MSEK 248, payment of structural costs of MSEK -5, an increase in pension liabilities of MSEK 4 and the net amount of produced and sold electricity certificates, MSEK -31. The amount for the period January-June 2007 includes the operating profit of MSEK 194, returned depreciation of MSEK 241, payment of structural costs of MSEK -62, an increase in pension liabilities of MSEK 3 and other items, MSEK -1.

Key indicators	Jan-June	Jan-June	Jan-mar	Jan-Dec
	2008	2007	2008	2007
<i>Margins</i>				
Gross margin, %	14	11	16	14
Operating margin, %	8	5	10	8
<i>Return (rolling 12 months)</i>				
Return on capital employed, %	13	11	12	11
Return on total capital, %	8	7	7	7
Return on equity, %	15	12	13	12
Return on equity after full conversion, %	15	12	13	12
<i>Capital structure at end of period</i>				
Capital employed, MSEK	5 866	5 352	5 731	5 506
Shareholders' equity, MSEK	2 904	2 643	3 021	2 898
Interest-bearing net debt, MSEK	2 962	2 708	2 710	2 607
Net debt/equity ratio, times	1.02	1.02	0.90	0.90
Net debt/equity ratio after full conversion, times	1.02	1.02	0.89	0.90
Equity ratio, %	32	31	34	31
Equity ratio after full conversion, %	32	31	34	31
<i>Per share</i>				
Earnings per share, SEK	3,63	1,91	2,52	6,52
Average no. of shares, '000	51 492	51 430	51 492	51 461
Earnings per share after dilution/full conversion, SEK	3,62	1,91	2,51	6,52
Average no. of shares after dilution/full conversion, '000	51 570	51 450	51 570	51 510
<i>Per share at end of period</i>				
Equity per share, SEK	56,40	51,33	58,68	56,29
No. of shares, '000	51 492	51 492	51 492	51 492
Equity per share after dilution/full conversion, SEK	56,38	51,25	58,66	56,20
No. of shares, '000	51 570	51 570	51 570	51 570
Gross investments including company acquisition, MSEK	381	323	165	657
Average no. of employees	2 340	2 389	2 274	2 364

Key indicators, historical	Jan-June	Jan-June	Full year	Full year	Full year	Full year	Full year
	2008	2007	2007	2006	2005	2004	2003*
Net earnings, MSEK	187	98	336	312	-183	509	748
Earnings per share, SEK	3,63	1,91	6,52	6,08	-3,56	9,66	13,33
Return on capital employed, %	6	4	11	11	-4	17	24
Return on total capital, %	4	2	7	7	-3	11	16
Return on equity, %	6	4	12	12	-7	16	23
Equity ratio, %	32	31	31	33	33	43	48

* Figures not according to IFRS

Parent company

Summarised profit and loss accounts	3 months		6 months		Full year
	Apr-June 2008	Apr-June 2007	Jan-June 2008	Jan-June 2007	Jan-Dec 2007
MSEK					
Total operating income	874	735	1 825	1 574	3 423
Total operating expenses	-825	-813	-1 699	-1 580	-3 282
Operating profit/loss	49	-78	126	-6	141
Financial items	-33	-19	-64	-48	227
Profit/loss after financial items	16	-97	62	-54	368
Appropriations	-	-	-	-	-1 900
Profit/loss before tax	16	-97	62	-54	-1 532
Tax	-4	29	-17	17	531
Net profit/loss	12	-68	45	-37	-1 001

Summarised balance sheet	30 June 2008	30 June 2007	31 Dec 2007
MSEK			
Fixed assets	4 187	4 122	4 114
Current assets	3 767	2 036	4 103
Total assets	7 954	6 158	8 217
Shareholders' equity	1 229	1 645	1 365
Untaxed reserves	1 900	-	1 900
Provisions	422	716	419
Long-term liabilities	1 754	1 970	2 077
Current liabilities	2 649	1 827	2 456
Total shareholders' equity and liabilities	7 954	6 158	8 217

Business areas

Quarterly breakdown of net turnover by business area and for the Group

	2008		2007				
	II	I	Full year	IV	III	II	I
MSEK							
Packaging & Speciality Paper	976	1 033	3 989	1 072	969	960	988
Packaging Boards	566	644	2 171	577	546	508	540
Market Pulp	366	414	1 556	382	360	425	389
Currency hedging etc.	37	-14	42	37	-1	-9	15
Other and eliminations	4	19	0	0	-	-	-
Total Group	1 949	2 096	7 758	2 068	1 874	1 884	1 932

Quarterly breakdown of operating profit by business area and for the Group

	2008		2007				
	II	I	Full year	IV	III	II	I
MSEK							
Packaging & Speciality Paper	50	141	355	144	96	17	98
Packaging Boards	50	86	179	71	64	-9	53
Market Pulp	-15	19	81	22	11	16	32
Currency hedging etc.	37	-14	42	37	-1	-9	15
Other and eliminations	-8	-18	-67	-31	-17	2	-21
Total Group	114	214	590	243	153	17	177

Quarterly operating margin per business area and for the Group

	2008		2007				
	II	I	Full year	IV	III	II	I
%							
Packaging & Speciality Paper	5	14	9	13	10	2	10
Packaging Boards	9	13	8	12	12	-2	10
Market Pulp	-4	5	5	6	3	4	8
Total Group	6	10	8	12	8	1	9

Quarterly delivery volumes per business area

	2008		2007				
	II	I	Full year	IV	III	II	I
'000 tonnes							
Packaging & Speciality Paper	123	128	544	144	130	131	139
Packaging Boards	113	127	463	118	114	111	120
Market Pulp	79	85	326	79	74	89	84
Total Group	315	340	1 333	341	318	331	343