



Press release

August 25th 2015, Solna, Sweden

BillerudKorsnäs investigates opportunities for growth

The demand for sustainable packaging solutions is growing globally. BillerudKorsnäs wants to explore the opportunities to respond to the demand growth while at the same time streamline and further improve its production structure. The company is now launching two feasibility studies, one regarding investment into a new board machine at the production site in Gruvön, Sweden, and the other regarding a streamlining and development of the production structure for packaging papers.

BillerudKorsnäs is a leading supplier of renewable fiber based packaging materials and solutions. Within liquid packaging board and other virgin fiber cartonboard, the company is one of the world leaders. Driven by global megatrends, the demand for these types of board is increasing. BillerudKorsnäs therefore wants to investigate the possibility of installing a new board machine at the production unit in Gruvön. The investigation is a part of BillerudKorsnäs strategy for volume growth within business area Consumer Board. It is also in line with the strategies for the business areas Containerboard and Packaging Paper. The machine would become one of the most cost efficient in the world with a capacity of approximately 500 000 t/a of liquid packaging board, cartonboard, food service board and white kraftliner. In addition to growth in attractive board segments, an investment decision would also include a streamlining of the production structure within the business area Packaging Paper as the current production of kraft papers at the Gruvön production unit would be discontinued and replaced by production at other BillerudKorsnäs units. A potential investment decision can be made at the earliest during 2016.

Simultaneously, BillerudKorsnäs is launching an investigation into the possibilities of further structural change and growth in selected attractive kraft paper segments. The investigation includes exploring the possibility of moving the MG paper machine in Finnish Tervasaari, unintegrated to pulp production, to Swedish Skärblacka, which is an integrated unit. The investigation also includes investment in further value adding surface treatment capacity at existing MG paper production in Skärblacka. If implemented, the investments would strengthen Skärblacka's position as one of the world's most efficient production units for white MG papers while also opening up opportunities in attractive market segments within medical papers, food packaging and release liners. The investigation will be completed during the first half of 2016 and after a potential decision is taken about a year is required to carry out the investment in surface treatment capacity and one and a half years for a potential paper machine move.

“These two investigations clearly indicate that we have our sights set on growth. We carefully compare all different growth scenarios to each other. Right now, we consider conditions for organic, investment driven, growth in our own production structure as the most favorable. These investigations do not exclude the possibility of further acquisitions”, says Per Lindberg, President and CEO, BillerudKorsnäs.



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The investigations are independent of each other. Also independent of the outcome of the investigations, BillerudKorsnäs invites to union negotiations regarding a possible closure of the BillerudKorsnäs production at Tervasaari.

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The information is such that BillerudKorsnäs Aktiebolag (publ) is obligated to publish under the Swedish Securities Market Act. Submitted for publication at 06.30 CET, August 25th 2015.