



BILLERUD

YEAR-END REPORT **JANUARY - DECEMBER 2007**

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The market potential in the food industry is enormous. In Europe alone, 2.7 million tonnes of material are used each year to package food. Plastic still accounts for a large part of this amount, but as people become more and more aware of environmental problems there is growing interest across the world in paper as a material for various forms of packaging.

Winning ground on the market now requires a new approach. Billerud's strategy is to get closer to the end-customer and expand knowledge of the benefits of paper as a sustainable packaging solution based on function, design and economics. In 2007 three important steps were taken to establish more customer-focused development and create strong growth for Billerud's products.

Billerud Box Lab was started up in June to help the food industry, primarily the fruit and vegetable sector, to optimise product selection and box design to achieve sustainable packaging. Billerud is thereby the first paper manufacturer in the world to perform its own research into the tough demands of container-board packaging.

The Billerud Fresh Services concept was also established during the year to help wholesalers and retailers to reduce product losses in the supply chain, where damaged fruit and vegetables cost around SEK 90 billion each year.

NINE Total Packaging Partner was also started in co-operation with industrial design firm, No Picnic. The purpose is to help brand owners in the food industry with packaging development and product development. NINE's competence in material selection, packaging, design, brand exposure and logistics quickly gained a lot of attention and interest from several large companies.