

## Revised long-term financial targets

Billerud's Board of Directors today agreed upon the following revised, long-term financial targets:

- Organic growth of at least 3% per year on average
- Operating margin of 10% (EBIT) over an economic cycle
- Investments shall yield a return well above the company's weighted average cost of capital

The Board also decided to retain the following financial targets:

- Net debt/equity ratio of between 0.6 and 0.9
- Dividends of 50% of the net profit over an economic cycle.

The targets have been revised due to the changes in the general economy and in Billerud's own development and strategy.

The market's return requirement has been affected by the fall in long-term interest rates. With these new targets, the company's return requirements for investments are based on stock market return requirements and the long-term cost of borrowing at any given time. Together, these factors provide Billerud's weighted average cost of capital (WACC).

Through the growth target, the new targets focus more specifically on the important question of long-term growth for Billerud. Through the margin target, increased transparency for controlling activities is created along with a better link between internal operations and externally communicated financial targets.

The new targets conclude the review of strategy and financial targets started by Billerud at the start of this year.

The revised financial targets together with the company's strategy are being presented today at the capital markets meeting arranged by Billerud in Stockholm. The presentation material and a webcast will be available at [www.billerud.com](http://www.billerud.com) in connection with the capital markets meeting.

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*The Board of Directors*

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*Billerud is a packaging paper company. The company's business concept is to supply customers with efficient packaging paper. Billerud has a world-leading position within several product segments. Food packaging accounts for more than 50 per cent of sales. Billerud's customers are mainly European. Production takes place at three integrated pulp and paper mills in Sweden and at one paper mill in the UK. Billerud's mills are among the most cost-efficient in Europe within their segments.*