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BILLERUD APPEALS AGAINST FINE IMPOSED BY ENVIRONMENTAL PROTECTION AGENCY

The Swedish Environmental Protection Agency has today fined Billerud around SEK 19.5 million for an error the company made in transferring emissions allowances in 2006. Billerud will appeal against this decision and will only be posting a SEK 40,000 reserve item to cover the fine in its year-end accounts for 2007.

Billerud has both reported and audited the correct amount of emissions allowances for 2006 in accordance with current regulations. However, due to an administrative error, Billerud's emissions allowances for its Skärblacka and Karlsborg mills were transferred to the wrong account in the Swedish Emission Trading Registry, SUS. The Swedish Environmental Protection Agency has now decided to punish this error with a fine of around MSEK 19.5.

Billerud will appeal against the Agency's decision.

Billerud notes the following in the Agency's statement: *"The Environmental Protection Agency agrees with the company that the situation that has arisen has gained unreasonable consequences."*

"We have done everything expected of us regarding the reporting of emissions allowances, apart from one item where allowances worth around SEK 53,000 went into the wrong account in the SUS register. We have taken advice from independent experts who consider that the legal grounds for the Agency's verdict are doubtful and that the fine in our case is not in reasonable proportion to the error. This will now go to appeal. As stated in our interim report we do not believe there are grounds for setting up a reserve equivalent to the amount the Agency has announced today," says Per Lindberg, President and CEO of Billerud AB.

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Billerud AB (publ)

Per Lindberg
President and CEO

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

Billerud is a packaging paper company. The company's business concept is to offer demanding customers packaging materials and solutions that promote and protect their products – packaging that is attractive, strong, sustainable and based on renewable materials. Billerud has a world-leading position within several product segments; within paper for consumer and industrial packaging. Production takes place at three integrated pulp and paper mills in Sweden and at one paper mill in the UK.