
17 April 2008

BILLERUD SKOG ACQUIRES PURCHASING COMPANY IN LITHUANIA

Billerud Skog has acquired 70% of the shares in Cebeco Mediena Uab. The company is privately owned and trades in pulpwood. The purpose of the acquisition is to safeguard part of Billerud's requirements of wood supplies.

Cebeco Mediena purchases pulpwood from a large number of private landowners and from state-owned forests in Lithuania and has an annual turnover of approximately MSEK 100.

“Cebeco fits well into our business. This acquisition establishes a bridgehead for us into the Baltic market for wood. The company is the right size and their purchases match our requirements for both birch and softwood,” says Johan Sakari, CEO of Billerud Skog.

Cebeco's activities also suit Billerud in terms of logistics as the company is based in the port Klaipeda where there is terminal warehousing and loading facilities. This location ensures efficient transport by boat to Billerud's mills.

Cebeco Mediena is accredited with the FSC certificate that guarantees traceability. The certificate helps Cebeco sell FSC-labelled products in relation to the volume of certified wood that it purchases.

Stockholm 17 April 2008
Billerud AB (publ)

Per Lindberg
President and CEO

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Facts about Billerud Skog

Billerud Skog AB is responsible for supplies to Billerud of fibre materials and biofuel. The company was formed in 2007 to reinforce acquisition of raw materials for Billerud's mills, which amounts to around 5.5 million m³sub of pulpwood and wood chips, and around 350 GWh of biofuel per year. Billerud Skog has focused initially on strengthening purchasing by establishing a field organisation for purchase of standing forest located close to the Billerud Karlsborg mill in northern Sweden. The company has also built up an import organisation for purchasing in the Baltic region and other areas. Billerud Skog currently has over 20 employees. www.billerud.com/skog

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