
23 July, 2009

Billerud returns to profit in the second quarter and prepares for new share issue

CEO Per Lindberg comments:

“After making losses in two successive quarters it is very pleasing to report an operating profit of MSEK 42 and a net profit of MSEK 8 for the second quarter.

The improvement is primarily due to increased volumes for kraft paper, significant cost savings, lower input costs and an improved currency situation. However, we are still suffering negative effects from currency hedging and, unfortunately, experiencing a negative margin for the approximately one fifth of Billerud’s sales attributable to market pulp.

Despite this earnings improvement and a good order situation, uncertainty remains about the economic situation and development on the financial markets and thereby how this affects future levels of demand. Against this background among other factors the Board has decided to strengthen Billerud’s balance sheet by proposing a rights issue with preferential rights for existing shareholders amounting to a total of around MSEK 1,000 before issue costs.

This rights issue will enable us to achieve a lower leverage more quickly, cut our financing costs and reduce financial risk. We also consider that a strong financial position will favour us on the market and give us greater opportunities to develop Billerud in both the short and longer term when the market returns to a more normal situation.

Since being launched on the stock market in 2001 Billerud has delivered an average return on capital employed and a return on shareholders’ equity after tax of around 15%. For the past three years the return on capital employed has been 9% and the return on shareholders’ equity 10%. Our aim and highest priority is to continue giving our shareholders a good return on the money they invest in Billerud.”

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Billerud AB (publ)

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*Billerud is a packaging paper company with a business concept to supply customers with innovative and high quality packaging paper. A consistent concentration on attractive market segments and a strong customer focus are cornerstones of Billerud’s strategy. Billerud focuses on kraft paper and containerboard and has a world-leading position within several product segments. The company’s production units are among the most cost-efficient in Europe for these products
www.billerud.com*

The information I such that Billerud is obligated to publish under the Swedish Securities Exchange and clearing Operations Act

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