



## PRESS RELEASE

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August 25, 2009

### Terms for Billerud's rights issue set

- Shareholders in Billerud have preferential rights to subscribe for one new share for every existing share
- The subscription price is SEK 19 per share, which represents total rights issue proceeds of approximately MSEK 978 before issue costs
- The subscription period runs from and including September 4 up to and including September 23, 2009
- The rights issue is fully guaranteed by the largest shareholders in Billerud as well as by Danske Markets, Handelsbanken Capital Markets, Nordea and SEB
- The rights issue is subject to approval by the Extraordinary General Meeting held on August 27, 2009

The Board of Directors in Billerud has resolved to set the terms for the rights issue that was decided on July 22, 2009. For every existing share in Billerud the holder is entitled to one (1) subscription right, and one (1) subscription right entitles the holder to subscribe for one (1) new share. The subscription price is SEK 19 per share, which means that the rights issue will raise a maximum of approximately MSEK 978, before issue costs, through the issue of no more than 51,491,570 new shares.

The record date at the Swedish Central Securities Depository, Euroclear Sweden AB, for participation in the rights issue is September 1, 2009. This means that the Billerud share will trade excluding preferential rights to participate in the rights issue from August 28, 2009.

The subscription period will run from and including September 4 up to and including September 23, 2009 or such later date as decided by the Board of Directors. Trading in subscription rights will take place on NASDAQ OMX Stockholm from and including September 4 up to and including September 18, 2009.

## **Timetable for the rights issue**

August 27, 2009	Extraordinary General Meeting decides on the rights issue resolved by the Board of Directors
August 28, 2009	First day of trading in Billerud shares excluding preferential rights to participate in the rights issue
September 1, 2009	Record date for participation in the rights issue, i.e. shareholders registered in the share register as of this day will receive subscription rights for participation in the rights issue
September 1, 2009	Estimated day for publication of the prospectus
September 4 – September 18, 2009	Trading in subscription rights
September 4 – September 23, 2009	Subscription period

## **Background and Reasons**

During 2005 and 2006, Billerud invested over SEK 1.0 billion in expanded production of own energy. These highly profitable investments were financed with bank debt, which resulted in an increase in Billerud's net debt/equity ratio above that of Billerud's financial target. In light of the current weak economic climate and the prevailing uncertainty that is evident in the credit markets, Billerud believes it is prudent to return to previously lower levels of gearing. Through the rights issue, the balance sheet is strengthened in such a way that the net debt/equity ratio, all else equal, would have been 0.46 times if the rights issue had been completed as per June 30, 2009 (before issue costs). In addition, the rights issue will provide the Company with significant financial and strategic flexibility. In combination with Billerud's cost saving initiatives and continued focus on improving the customer- and product mix, this is expected to ensure a continued strong position for Billerud when the economic climate improves.

## **Subscription undertakings and underwriting guarantees**

Billerud's largest shareholder, Frapag Beteiligungsholding AG, and another one of Billerud's larger shareholders, Apoteket ABs Pensionsstiftelse support the rights issue and have committed, provided that certain terms are met, to subscribe for their respective pro rata shares in the rights issue, corresponding to approximately 23 percent of the rights issue. In addition, Apoteket ABs Pensionsstiftelse has agreed to subscribe for additional shares corresponding to approximately 4.5 percent of the rights issue, which increases the total commitment from shareholders to approximately 27 percent of the rights issue. The remainder of the rights issue is, subject to customary conditions, fully underwritten by Danske Markets, Handelsbanken

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*Billerud is a packaging 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*

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Capital Markets, Nordea and SEB, whereby the rights issue as a whole is covered by subscription undertakings and guarantees.

**Reduction of the share capital etc.**

To facilitate the completion of the rights issue, the Board of Directors has proposed that the Extraordinary General Meeting, held on August 27, 2009 decides on a reduction of the share capital by SEK 400,072,822.5, thereby changing the shares' quota value from SEK 12.50 to SEK 5.00. The Board of Directors has also proposed that Billerud, in conjunction with the rights issue, effects a bonus issue of SEK 250,000,000, in order to secure that the restricted equity, as well as the share capital, are restored after the reduction.

The Board of Directors' resolution on the rights issue and bonus issue requires a change in the Articles of Association, in the share capital limits, as well as the limits regarding the number of shares. Based on the subscription terms determined by the Board of Directors, the Board of Directors propose, in accordance with item 7 on the agenda for the notification to the Extraordinary General Meeting, that the share capital limits are changed to not less than SEK 500,000,000 and not more than SEK 2,000,000,000 and the limits regarding the number of shares are changed to no fewer than 80,000,000 and no more than 320,000,000 shares. The Extraordinary General meeting notification in its entirety is available under press releases on Billerud's website, [www.billerud.com](http://www.billerud.com).

**Financial and legal advisors**

Danske Markets, Handelsbanken Capital Markets, Nordea Corporate Finance and SEB Enskilda are acting as financial advisors and Joint Lead Managers for the rights issue and Cederquist as legal advisor to Billerud.

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The information above includes that which Billerud AB (publ) is required to publish under the Swedish Securities Exchange and clearing Operations Act. The information was submitted for publication on August 25, 2009 at 08:45 CET.

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