

PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR A DECISION REGARDING TRANSFER OF SHARES UNDER THE LONG TERM INCENTIVE PROGRAMME DECIDED AT THE 2007 AGM (ITEM 17 ON THE AGENDA)

The 2007 Annual General Meeting decided to introduce (i) an incentive program for all employees featuring so-called share matching, and (ii) a long-term incentive program with so-called performance shares, comprising a maximum of 69 managers and key employees of the Billerud Group (together referred to as "LTIP 2007"). More information about LTIP 2007 is available on the company's website. In order to implement the LTIP 2007, the Board proposes that the Meeting resolves on transfer a of the company's own shares under the following principal terms: (a) transfer may be made of a maximum of 160,000 shares to be transferred to participants in the LTIP 2007 in the form of so-called matching shares and performance shares, (b) transfer of shares shall be made at the time and in accordance with the terms of the LTIP 2007 on which the participants are entitled to granting of shares, and (c) also, the Board shall be entitled to convey a maximum of 50,000 shares of the total own possession of shares in Billerud, in order to cover certain costs, mainly social security costs, relating to LTIP 2007. Transfer of the shares shall be effected on NASDAQ OMX Stockholm at a price within the price interval registered at each time for the share.

The reasons for the deviation from shareholders' preferential rights are that it is an advantage for Billerud to transfer shares in accordance with the above proposal in order to meet the requirements of the approved incentive program.

Billerud AB (publ)
Board of Directors
March 2010