

**THE PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR APPROPRIATION OF PROFIT AND MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 OF THE SWEDISH COMPANIES ACT (ITEM 10B ON THE AGENDA)**

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The Board of Directors proposes that the Annual General Meeting of 4 May 2010 decides to pay a dividend of SEK 0.50 per share. The Board of Directors proposes Friday 7 May, 2010 as record day for the dividend. If the Meeting approves the Board's proposal, payment via Euroclear Sweden AB is expected to be sent on Wednesday 12 May, 2010.

The board submits the following motivated statement in accordance with chapter 18 section 4 of the Swedish Companies Act (2005:551):

As presented on page 98 of the 2009 annual report, non-restricted shareholders' equity in the parent company, Billerud AB, amounted to SEK 1,305,000 on 31 December 2009. The Board of Directors of Billerud proposes that the dividend for 2009 shall be SEK 0.50 per share, equally a total of approximately MSEK 51,5. The remaining amount shall be carried forward in a new account. The reason for this proposal is as follows:

According to Billerud's financial goals, the dividend shall be 50% of the net profit per share and the net debt/equity ratio shall be between 0.6-0.9 times over a business cycle. At the end of 2009 Billerud's net debt/equity ratio was 0.29, a decrease by 0.70 compared with 2008, and also lower than target. The Board of Directors of Billerud proposes that of the profit of 2009 per share of SEK 2.04, a dividend for 2009 of SEK 0.50 per share is distributed and that the remaining amount shall be carried forward in a new account. The Board of Directors of Billerud's proposal means that the dividend for 2009 will be 31% of the net profit.

Relating to the above, the Board of Directors of Billerud believes that the proposed dividend appear to be justified taken into consideration;

1. the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations of Billerud (and also the Billerud group), and
2. Billerud's (and also the Billerud group) need to strengthen its balance sheet, liquidity and financial position in general.

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Billerud AB (publ)  
The Board of Directors  
March 2010