

## **Board statement concerning its proposal for the profit dividend for the 2006 financial year**

As reported on page 80 of the 2006 Annual Report, non-restricted equity in the parent company, Billerud AB, amounted to MSEK 1 034 on 31 December 2006. Billerud's Board proposes that the dividend for 2006 be SEK 3.50 per share, or a total of MSEK 180. It is proposed that the remaining amount be carried forward. The reason for the proposal is as follows:

According to Billerud's financial goals the dividend shall be 50 per cent of the net profit over a business cycle. The Board's proposal means that the dividend for the year 2006 will be 58 per cent of the net profit.

At the end of 2006 Billerud's net debt/equity ratio was 0.94. The fact that the net debt/equity ratio is above the target of 0.6 to 0.9 is due exclusively to the fact that major investments were made in energy equipment in the period 2004 to 2006. These investments have a short payback time and will produce an increase in profit before depreciation of around MSEK 250 per year. Increased cash flow and the improved market conditions will mean that the net debt/equity target will be achieved in coming years.