



This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail. Please note that the Extraordinary General Meeting will be conducted in Swedish.

Extraordinary General Meeting Billerud Aktiebolag (publ)

Shareholders of Billerud Aktiebolag (publ) are hereby invited to attend the Extraordinary General Meeting at 3.00 p.m. on Friday 14 September 2012 in Grünwaldsalen, Konserthuset, entrance from Kungsgatan 43, Stockholm.

The premises for the Meeting will be open for registration at 2.00 p.m., when coffee will be served.

Participation

Shareholders wishing to take part in the Extraordinary General Meeting must both:

- Be registered in the Shareholders' Register held by Euroclear Sweden on Saturday 8 September 2012. Since the record day is a Saturday shareholders must make certain that they are registered in the Shareholders' Register on Friday 7 September 2012, and
- Notify the company of their intention to attend the Extraordinary General Meeting not later than 4 p.m. on Monday 10 September 2012. Notification shall be made in writing by post to Billerud Aktiebolag, "EGM 2012", P.O. Box 7841, SE-103 98 Stockholm, Sweden, or by telephone to +46 8 402 90 62. Notification can also be made via the company's website www.billerud.se/anmalan. In their notification shareholders should state their name, personal-/corporate identity number, address, daytime telephone number, number of shares held and, where applicable, number of representatives and assistants (maximum of two).

To be able to participate at the Meeting, shareholders whose shares are registered in the name of a nominee must request that their own names be temporarily registered in the share register kept by Euroclear Sweden. This procedure, so-called voting right registration, must be effected not later than on Friday 7 September 2012, which means that the shareholder must inform the nominee in good time before this date.

If participation is to be made through a proxy or representatives of legal entities, the original document of their authorization, registration certificate and other relevant authorization documents should be submitted in good time before the Meeting. A form of power of attorney can be downloaded from the company's website, www.billerud.se/anmalan.

An entry card entitling participation in the Meeting will be sent out before the Meeting. If the entry card has not arrived on time, shareholders providing proof of their identity can obtain a new entry card at the information desk.

Proposed agenda

1. Opening of the Meeting.
2. Election of chairman for the Meeting
3. Drawing up and approval of voting list
4. Approval of the Agenda

5. Election of one or two persons to verify the minutes
6. Determination as to whether the Meeting has been duly convened
7. The Board's proposal to resolve to amend the Articles of Association regarding the share capital and number of shares.
8. The Board's proposal to resolve to
 - I. approve the acquisition of Korsnäs Aktiebolag,
 - II. authorize the Board to execute a new issue of shares to be issued as part of the purchase price in the acquisition of Korsnäs Aktiebolag, and
 - III. authorize the Board to execute a new issue of shares with preferential rights for the existing shareholders.
9. The Board's proposal to resolve to amend the Articles of Association regarding the name of the company.
10. Frapag Beteiligungsholding AG's proposal regarding determination of the number of Board Members, election of new Board Members, new Chairman of the Board, determination of fees to Board Members and amendment to the procedure of appointing the Nomination Committee.
11. Closing of the Meeting.

Motions

Item 7

In order to adjust the minimum and maximum share capital and number of shares stated in the Articles of Association to the proposed authorizations to issue new shares, the Board proposes that the Articles of Association are to be amended as follows.

Current wording

The company's share capital shall be at least SEK 500,000,000 and at most SEK 2,000,000,000.

§ 3 Share Capital

Proposed wording

The company's share capital shall be at least SEK 750,000,000 and at most SEK 3,000,000,000.

§ 4

Number of shares

The number of shares shall be at least 80,000,000 and at most 320,000,000.

The number of shares shall be at least 100,000,000 and at most 400,000,000.

Special majority requirements

A valid resolution under item 7 requires support of shareholders holding not less than two thirds of both the votes cast and the shares represented at the Meeting.

Item 8

The Board proposes that the Meeting approves the acquisition of Korsnäs Aktiebolag ("Korsnäs") and adopts resolutions related to the acquisition in accordance with paragraph I-III below.

I. Approval of the acquisition of Korsnäs Aktiebolag

Korsnäs is a leading manufacturer of virgin fibre-based packaging materials with a strong brand. The company has a targeted strategy focusing on highly processed products. Paperboard is Korsnäs's largest product area. Korsnäs is owned by Investment AB Kinnevik (publ) ("Kinnevik").

As previously announced Billerud has on 19 June 2012 entered into an agreement with Kinnevik to acquire all shares in Korsnäs. The purchase price consists partly of a cash payment and partly of new issued shares in Billerud. The cash payment amounts to MSEK 3,200, of which MSEK 500 is to be paid by a vendor note. The new issued shares that are part of the purchase price, paragraph II, shall be the number of shares equivalent to 25 percent of the outstanding shares in Billerud, before the new issue with preferential rights for the shareholders under paragraph III. Outstanding shares in this context refer to shares in Billerud outstanding on the market and Billerud's holding of own shares that have been allocated to long term incentive programs. Furthermore, in connection with the acquisition the new group assumes the net debt in Korsnäs amounting to MSEK 5,650 when the agreement was entered into on 19 June 2012. The purchase price has been determined with respect to that Kinnevik

has committed to subscribe for new shares in the new issue with preferential rights for the shareholders under paragraph III in an amount of MSEK 500. Accordingly, the net acquisition cash price is MSEK 2,700. The purchase price is subject to customary net debt adjustment in connection with closing.

The acquisition of Korsnäs is, according to the agreement with Kinnevik, conditional upon the approval of relevant competition authorities. Furthermore, the acquisition is, according to the agreement, conditional upon, i.a., resolutions by the Meeting to approve the acquisition and to authorize the Board to execute a new directed issue of shares to Kinnevik in accordance with paragraph II and execute a new issue of shares with preferential rights for the existing shareholders in accordance with paragraph III.

The Board believes that the timing of the proposed acquisition is favourable and that the strategic, industrial and financial rationale is compelling. The new group will take the name BillerudKorsnäs and the goal is to create a strong international player within the packaging industry with leading positions in production and sales of liquid packaging board and other high-quality paperboard, containerboard and packaging material. The Board therefore proposes that the Meeting resolves to approve the Board's resolution to acquire Korsnäs on the terms and conditions described above.

II. Authorization for the Board to execute a share issue as part of the purchase price in the acquisition of Korsnäs

The Board proposes that the Board shall be authorized, until the next Annual General Meeting, to resolve on a new issue of shares to be used as part of the purchase price for the acquisition of Korsnäs (the "Directed Issue"). The number of new shares to be issued in the Directed Issue shall be the number of shares equivalent to 25 percent of the outstanding shares in Billerud, before the rights issue with preferential rights for the shareholders under paragraph III. Outstanding shares in this context refer to shares in Billerud outstanding on the market and Billerud's holding of own shares that have been allocated to long term incentive programs.

The principal terms and conditions for the Directed Issue will be the following:

Kinnevik shall be solely entitled to subscribe for shares in the Directed Issue. Kinnevik shall as payment for the shares (contribution in kind) contribute all 53,613,270 shares in Korsnäs to Billerud. In addition to the shares issued in the Directed Issue and thus constituting a part of the purchase price, Billerud will, as payment for the shares in Korsnäs, make cash payment pursuant to the terms and conditions in paragraph I.

Information about the subscription price will be announced after the Board resolves on the Directed Issue. The contribution in kind, i.e. all shares in Korsnäs will be accounted for in Billerud's balance sheet at an amount based on the price for Billerud shares on NASDAQ OMX Stockholm at the transaction date, i.e. the day Billerud has closed the acquisition of the shares in Korsnäs in accordance with paragraph I. The new shares will entitle to dividends as from the time the shares are recorded in the Shareholders' Register held by Euroclear Sweden.

III. Authorization for the Board to execute an issue of shares with preferential rights for the existing shareholders

The Board proposes that the Board shall be authorized, until the next Annual General Meeting, to resolve on a new issue of shares with preferential rights for the existing shareholders (the "Rights Issue"). The net proceeds from the Rights Issue will be used to repay part of existing outstanding loans of BillerudKorsnäs.

By making use of the authorization, the Board shall have the right to execute the Rights Issue with total proceeds of approximately SEK 2 billion through the issuance of, no more than, so many shares that at any time are within the maximum number of shares determined in the Articles of Association and thereby increase the share capital by, no more than, an amount that at any time is within the

maximum share capital determined in the Articles of Association. The authorization includes the right to resolve on an issue of new shares to be paid in cash, and the Board may, if it deems it appropriate, allow shares to be paid by way of set-off. The new shares will entitle to dividends as from the time the shares are recorded in the Shareholders' Register held by Euroclear Sweden.

The principal terms and conditions for the Rights Issue will be the following:

The persons who on the record date of the Rights Issue are registered as shareholders are entitled to receive subscription rights for new shares in the Rights Issue.

Subscription can also be effected without subscription right. To the extent that shares have not been subscribed for through the exercise of subscription rights, allotment shall firstly be made to those who also have subscribed for shares through the use of subscription rights (irrespective of whether the subscriber was registered as shareholder on the record date or not), and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of subscription rights that have been used for subscription of shares and should this not be possible, by the drawing of lots. Secondly, allotment shall be made to those who have subscribed for shares without subscription rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of shares that each one subscribed for, and should this not be possible, by the drawing of lots.

The record date for determining the right to receive subscription rights, the subscription period and the subscription price will be determined by the Board in connection with the Board's resolution to issue new shares by virtue of this authorization. The same applies to the number of subscription rights each share shall entitle to as well as to the number of subscription rights that will be required to subscribe for one new share. Subscription by virtue of subscription rights shall be made by cash payment during the subscription period. Subscriptions not based on subscription rights shall be made through subscription on an application form during the same period. Kinnevik has undertaken to subscribe for shares to an amount of SEK 500 million in the Rights Issue. Frapag Beteiligungsholding AG ("Frapag") has committed to subscribe for shares in the Rights Issue corresponding to its pro rata share of the Rights Issue.

Special conditions relating to the proposed resolutions under item 8

The acquisition of Korsnäs is i.a. conditional upon relevant competition authorities' approval to the combination of Billerud and Korsnäs.

The Board's proposed resolutions under items 8 I-III shall therefore involve that the validity of the Meeting's resolutions are conditional upon such approval having been given. In addition, items 8 I-III are conditional upon each other.

Shareholder support relating to the proposed resolutions under item 8

Frapag, the largest shareholder of Billerud at the time of issuance of this convening notice, holding approximately 21 per cent of the share capital and the votes in Billerud, has undertaken to vote in favour of the Board's proposal under item 8.

Documentation relating to the proposed resolutions under item 8

A separate information brochure regarding the combination of Billerud and Korsnäs will be made available to the shareholders before the Meeting.

Item 9

As a result of the combination of Billerud and Korsnäs, the Board proposes that the Articles of Association are to be amended as follows.

Current wording

Proposed wording

§ 1

Name of the company

The name of the company shall be Billerud Aktiebolag (publ).

The name of the company shall be *BillerudKorsnäs* Aktiebolag (publ).

Special majority requirements and conditions to the proposed resolution under item 9

A valid resolution under item 9 requires support of shareholders holding not less than two thirds of both the votes cast and the shares represented at the Meeting. In addition, the proposed amendment of the Articles of Association is conditional upon Billerud closing the acquisition of the shares in Korsnäs, such shares having been acquired in accordance with item 8 I.

Item 10

Frapag, the largest shareholder of Billerud at the time of issuance of this convening notice, holding approximately 21 percent of the share capital and votes in Billerud has, in the light of the combination between Billerud and Korsnäs, proposed the following regarding the composition of the Board, fees to the Board Members and addition to the procedure of appointing a Nomination Committee in the new group:

- The number of Board Members elected by the Meeting shall be 8 with no deputies, according to the below.
- At the Annual General Meeting 2012, the Meeting resolved that an annual fee shall be paid with SEK 570,000 to the Chairman of the Board, SEK 430,000 to the Deputy Chairman of the Board and SEK 270,000 to each of the other Board Members elected by the Annual General Meeting and that remuneration for work in Board Committees shall be paid with SEK 80,000 to the Chairman of the Audit Committee and SEK 40,000 to each of the other members of the Audit Committee and SEK 50,000 to the Chairman of the Remuneration Committee and SEK 25,000 to each of the members of the Remuneration Committee. In view of the increased work-load for the Board Members due to the combination with Korsnäs, it is proposed that the remuneration shall be adjusted as follows (the remuneration levels stated below are on a yearly basis). The annual fee for the period until the next annual general meeting (expected to be held during spring 2013) to each of the Board Members elected by the General Meeting shall be paid with SEK 400,000 and to the Chairman of the Board with SEK 1,000,000. Remuneration for work in Board Committees shall be paid with SEK 150,000 to the Chairman of the Audit Committee and with SEK 75,000 to each of the members of the Audit Committee, and with SEK 50,000 to the Chairman of the Remuneration Committee and SEK 25,000 to each of the members of the Remuneration Committee. Further, remuneration shall be paid with SEK 50,000 to each member of the Integration Committee, a committee formed specifically for the integration between Billerud and Korsnäs, which committee shall be of a temporary nature.

The new remuneration levels are on a yearly basis. Fees to Board Members and remuneration for work in Board Committees for the period from when the resolution of the Meeting under this item 10 takes effect until the Annual General Meeting 2013 shall be paid in proportion to the length of the mandate period. Fees to Board Members and remuneration for work in Board Committees for the period from the Annual General Meeting 2012 until the resolution of the Meeting under this item 10 takes effect, shall be paid based on the levels resolved upon at the Annual General Meeting 2012, however, in proportion to the length of the mandate period.

- Mia Brunell Livfors, Wilhelm Klingspor, Mikael Larsson and Hannu Ryöppönen shall be elected as new Board Members. The current Board Members Ingvar Petersson, Helena Andreas, Mikael Hellberg, Ewald Nageler and Yngve Stade have declared that they will resign as Board Members once the appointment of the new Board Members takes effect.

Hannu Ryöppönen is Chairman of the Board of Altor's Private Equity-funds and Hakon Invest AB, further he is Board Member of Amer Sport Corporation Oyj, Novo Nordisk A/S, Neste Oil Oyj, Rautaruukki Oyj, Korsnäs and Value Creation Investments Limited. Hannu Ryöppönen is also a member of Citi Nordic Advisory Board. Previously, Hannu Ryöppönen was Chairman of the Board of Tiimari Oyj and Board Member of ICA AB. Hannu Ryöppönen has been the CFO, and the deputy CEO, of Stora Enso Oyj, the CFO of Royal Ahold BV, IKEA and Industri Kapital and has also had a number of executive management positions within Chemical Bank and Alfa Laval. Hannu Ryöppönen is Graduate in Business Administration from Hanken School of Economics, Helsinki.

Mia Brunell Livfors is Chairman of the Board of Metro International S.A. and Board Member of Korsnäs, Tele2 AB, Millicom International Cellular S.A., Modern Times Group MTG AB, H&M Hennes & Mauritz AB and CDON Group AB. Mia Brunell Livfors is also the CEO and President of Kinnevik. Mia Brunell Livfors has previously had a number of executive management positions within Modern Times Group MTG AB. Mia Brunell Livfors has studied Business Administration at Stockholm university.

Wilhelm Klingspor is Board Member of Kinnevik and Korsnäs and the CEO of Hellekis Säteri AB. Wilhelm Klingspor was previously Board Member of Industriförvaltnings AB Kinnevik and is a graduated Forest Engineer from the Swedish University of Agricultural Sciences, Skinnskatteberg.

Mikael Larsson is Board Member of Transcom WorldWide S.A, Bergvik Skog AB, Latgran Biofuels AB, Vireo Energy AB and Relevant Traffic Europe AB and the CFO of Kinnevik. Mikael Larsson has previously been the Group Controller of Scandinavian Leisure Group (today Thomas Cook Northern Europe) and has also worked with auditing etc. at Arthur Andersen (today Deloitte). Mikael Larsson is Graduate in Business Administration from Uppsala university.

Additional information regarding the proposed new Board Members is available at the company's website, www.billerud.se.

- Hannu Ryöppönen shall be elected as the Chairman of the Board.
- Billerud's Annual General Meeting 2012 adopted a procedure for appointing a Nomination Committee to prepare proposals to the Annual General Meeting 2013. The adopted procedure shall be amended as follows:
 - The Nomination Committee shall comprise of four members (according to the resolution at the Annual General Meeting 2012 the Nomination Committee shall comprise of *no more* than four members), and
 - The Nomination Committee shall be appointed for at term of office commencing at the time of the announcement of the composition of the Nomination Committee and ending when a new Nomination Committee is formed (according to the resolution at the Annual General Meeting 2012 the term of office of the Nomination Committee ended at the close of the next Annual General Meeting).

The proposal shall not have the effect that the procedures for the appointment of the Nomination Committee or the work of the Nomination Committee shall be amended in any other aspect. More information regarding the procedures for the appointment of the Nomination Committee and the work of the Nomination Committee can be found on the company's website at www.billerud.se.

- The resolution of the Meeting regarding this item 10 shall not be valid until Billerud has closed the acquisition of the shares in Korsnäs, such shares having been acquired in accordance with item 8 I.

If the Meeting resolves in accordance with this proposal, the Board will, once the resolution becomes effective and until the close of the next Annual General Meeting, consist of the Board Members Hannu Ryöppönen (Chairman), Mia Brunell Livfors, Jan Homan, Lennart Holm, Gunilla Jönson, Michael M.F. Kaufmann, Wilhelm Klingspor and Mikael Larsson.

For the period from the Meeting until the resolution becomes effective the Board will consist of current Board Members Ingvar Petersson (Chairman), Helena Andreas, Mikael Hellberg, Jan Homan, Lennart Holm, Gunilla Jönson, Michael M.F. Kaufmann, Ewald Nageler and Yngve Stade.

The Board Members that resign from their appointments in Billerud once the appointment of new Board Members becomes effective, will receive fees and/or remuneration for the period from the Annual General Meeting 2012 until the resolution under this item 10 takes effect in proportion to the length of the mandate period based on the levels resolved upon at the Annual General Meeting 2012.

At the time of issuance of this convening notice, there was no Nomination Committee appointed. However, the members of Billerud's Nomination Committee for the Annual General Meeting 2012 has been informed about the proposals above.

Authorization

The Board, or the person that the Board appoints, is authorized to make the minor adjustments in the Meeting's resolutions under items 7, 8 II-III, 9 and 10 as may be required in connection with registration at the Companies Registration Office and/or Euroclear Sweden.

Number of shares and votes

At the time of issuance of this notice, there are in the aggregate 104,834,613 shares outstanding in Billerud representing the same number of votes, i.e. the total number of votes is 104,834,613. As of currently, Billerud has, 1,720,314 own shares which cannot be represented at the Meeting.

Shareholder's right to request information

In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the Meeting regarding the items on the agenda.

Documentation

The complete proposals under items 7, 8, 9 and 10 are stated above. The Articles of Associations and the procedure for appointing the Nomination Committee in their proposed wordings will be made available at the company's office and at the company's website www.billerud.se not later than on 24 August 2012 and information material regarding the proposals under item 8 will be made available at the company's office and at the company's website www.billerud.se approximately three weeks before the Meeting. The documentation will also be sent by post to shareholders who have requested to receive the documents and have stated their postal address.

Solna, August 2012
The Board of Directors



August 16, 2012

Dear Billerud shareholder,

Billerud is now going through its biggest changes ever. In 2012 it will make the transition from a medium-sized Swedish industrial group to a leading European player in packaging materials. In June, we concluded our acquisition of UPM's packaging paper business in Finland and our biggest-yet business transaction was announced — the combination of Billerud and Korsnäs, BillerudKorsnäs.

The acquisitions are part of our strategy to become a world-class packaging materials company. At a stroke, we will double in size and will gain a broader and more well-balanced product portfolio.

Throughout our 10-year history as a listed company, we have consistently pursued the goal of increasing the value-added share. In recent years, Billerud has established itself as a leading innovative company in packaging materials and packaging solutions. This has laid down excellent conditions for growth and expansion, not only in new geographical markets but also in new customer categories. We have also significantly reduced our former dependence on the business cycle for market pulp. Our focus is to deliver customer value via process efficiency and by developing packaging solutions and materials distinguished by insight, innovation and sustainability.

Billerud will effect the proposed combination between Billerud and Korsnäs, today a subsidiary of Kinnevik, by acquiring all shares outstanding in Korsnäs from Kinnevik. The purchase consideration will consist of new shares in BillerudKorsnäs and a cash payment. The combined company, BillerudKorsnäs, will also assume Korsnäs' net debt. On completion of the planned combination, Kinnevik will be the largest shareholder in BillerudKorsnäs. The combination with Korsnäs is conditional on approval by the relevant competition authorities and by the Extraordinary General Meeting (EGM) at Billerud, to be held on 14 September 2012.

As President and CEO of Billerud, I am very positive towards the proposed combination. It is my hope that you, as shareholder, will also view the combination in a similar light. For that reason, I would like to describe both Korsnäs and the reasons for the combination in slightly more detail.

Korsnäs, founded in 1855, is a highly specialised and very well positioned packaging materials business with annual sales of around SEK 9 billion. Historically, the company has reported high and stable profitability. It has a conscious strategy focusing on high value-added products and an extensive product portfolio especially in consumer packaging. The biggest product sector is cartonboard, primarily for beverage packaging, which represents a major global market with

This letter is not a prospectus. Its purpose is to serve as information to shareholders in Billerud AB (publ) (the "Company") regarding the proposed combination between Billerud AB (publ) and Korsnäs AB. This letter must not be made public, published or distributed, in whole or in part, directly or indirectly, in or into the United States, Canada, Japan, Hong Kong or Australia or in any other country where such publication or distribution would be in breach of applicable laws or regulations or would necessitate further documentation being drawn up or registered, or would necessitate any other action being taken, in addition to the requirements laid down by Swedish law.

good growth. Like Billerud, Korsnäs focuses on primary fibre from wood as raw material. Korsnäs operates two main production units in Sweden, at Gävle and Frövi. The proposed transaction also includes a 5% ownership stake in Bergvik Skog, one of the biggest forest-owners in Sweden, plus a majority holding in Latvian pellet manufacturer Latgran.

The operations of the two companies, Billerud and Korsnäs, complement each other very effectively and the combination is a natural progression for both companies. We are building a solid platform for further expansion in new markets, creating the scope for sustainable profitability in the future. The combination will deliver a comprehensive product portfolio in packaging paper, cartonboard and containerboard. Considerable synergies are expected, for example by consolidation of purchasing and optimisation of logistics and production processes. BillerudKorsnäs will also benefit from an extended knowledge base, enabling us to step up the pace of innovation and development of smart solutions for current and new customers. The objective is to create one of the most focused and innovative businesses in the packaging world, capable of long-term growth and high profitability, which will establish favourable conditions for enhancing shareholder value. BillerudKorsnäs will have annual sales of around SEK 20 billion, 4,400 employees and three business areas (Packaging Paper, Containerboard and Cartonboard).

The acquisition of Korsnäs will burden Billerud's otherwise strong balance sheet. To strengthen the capital structure and allow the new company a reasonable level of debt, Billerud's Board of Directors proposes that the Board should be authorised to carry out a new share issue with preferential rights for BillerudKorsnäs shareholders in the amount of around SEK 2 billion once the acquisition is completed, which is expected to occur during Q4 2012.

The EGM should, according to the Board's proposal, approve the acquisition of Korsnäs, resolve to authorise the Board to carry out a new share issue to Kinnevik as part of the purchase consideration in the acquisition of Korsnäs, resolve to authorise the Board to carry out a new share issue with preferential rights for BillerudKorsnäs shareholders and resolve to approve amendments to the Articles of Association, including change of the company's name to BillerudKorsnäs. Frapag, currently the largest shareholder in Billerud, will vote for the combination at the EGM and has undertaken to subscribe for its pro rata share of the rights issue. Kinnevik has undertaken to subscribe for shares corresponding to SEK 500 million in the rights issue.

To make it easier for you as shareholder to take a view on the resolutions proposed by the Board, an information package is available on www.billerud.com.

It is with great pleasure and confidence that I welcome you to the exciting developments at Billerud and invite you to attend the EGM to be held on 14 September 2012!

Yours sincerely,



Per Lindberg, President and CEO
Billerud AB (publ)

Billerud's EGM will be held at 3.00 p.m. on Friday, 14 September 2012 at Grünewaldsalen, Konserthuset, Stockholm, Sweden. For information on how to register to the EGM, please visit www.billerud.com
--

This is an in-house translation of the Company's Articles of Association. In case of any discrepancies between the Swedish original Articles of Association and this translation, the Swedish original shall prevail.

**Articles of Association of Billerud Aktiebolag (publ) (556025-5001)
Adopted at the Extraordinary General Meeting 14 September 2012**

§ 1 Name of the Company

The name of the company shall be Billerud Aktiebolag (publ).

§ 2 Object

The object of the company's business is to directly and indirectly carry out forest industry operations, in particular the manufacture and sale of pulp and paper, and to carry out other associated operations.

§ 3 Share Capital

The company's share capital shall be at least SEK 750,000,000 and at most SEK 3,000,000,000.

§ 4 Number of shares

The number of shares shall be at least 100,000,000 and at most 400,000,000.

§ 5 Registered office

The registered office of the Board of Directors is in Stockholm, Sweden.

§ 6 Board of directors

The Board of Directors shall be composed of at least six members and at most ten members, with at most six deputies

§ 7 Auditors

One or two auditors and at most two deputy auditors, or a registered firm of auditors, shall be appointed.

§ 8 Annual General Meeting

An Annual General Meeting shall be held each year within six months of the end of the financial year.

The following items of business shall be addressed at the Annual General Meeting:

1. Election of a Chairman of the Meeting;
2. Preparation and approval of a list of voters;
3. Approval of the agenda;
4. Election one of two persons to check the Minutes;
5. Examination as to whether the Meeting has been duly convened;
6. Presentation of the Annual Report and the Auditors' report, and as necessary, of the Consolidated Annual Report and the Consolidated Auditors' Report;
7. Resolutions on

- a) adoption of the Income Statement and Balance Sheet, and as necessary, of the Consolidated Income Statement and Consolidated Balance Sheet,
 - b) distribution of the Company's profit or loss in accordance with the adopted Balance Sheet,
 - c) discharge from liability for the members of the Board and the Managing Director;
8. Determination of the number of Board members and deputies to be elected by the Meeting and, as necessary, determination of the number of auditors and deputy auditors to be elected by the Meeting, or alternatively, determination of whether a registered firm of auditors shall be elected;
 9. Determination of fees payable to the Board of Directors and, as necessary, to the auditors;
 10. Election of members of the Board and deputies, and as necessary, election of auditors and deputy auditors or registered firm of Auditors;
 11. Any other business to be on the agenda of the Meeting pursuant to the Swedish Companies Act (2005:551) or Articles of Association.

§ 9 Notice

Notice of a general meeting of shareholders shall be made in the form of an announcement in an advertisement in the Official Gazette (Post och Inrikes Tidningar) and on the company's website. Confirmation that notice has been given shall be given in an advertisement in Svenska Dagbladet.

Shareholders who wish to participate in negotiations at the general meeting must be included in the printout or other presentation of the full share register as per 5 days prior to the Meeting and must notify the company of their intention to participate by 4 p.m. at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

Shareholders may be accompanied by one or two assistants at the meeting provided that the shareholder has notified the company in accordance with the above paragraph.

§ 10 Financial year

The calendar year will be the financial year of the company.

§ 11 Record day provision

The company's shares shall be recorded on a control register in accordance with the law (1998:1479) on the accounting of financial instruments.

The shareholder or shareholder's representative entered on the established record day in the share register and the control register in accordance with chapter 4 of the law (1998:1479) on the accounting of financial instruments, or the person listed in the control account in accordance with chapter 4 § 18, first paragraph, lines 6-8, of the aforementioned law, shall be considered authorised to exercise the rights expressed in chapter 4 § 39 of the Swedish Companies Act (2005:551).

This is an in-house translation of the Company's Articles of Association. In case of any discrepancies between the Swedish original Articles of Association and this translation, the Swedish original shall prevail.

**Articles of Association of BillerudKorsnäs Aktiebolag (publ) (556025-5001)
Adopted at the Extraordinary General Meeting 14 September 2012**

§ 1 Name of the Company

The name of the company shall be BillerudKorsnäs Aktiebolag (publ).

§ 2 Object

The object of the company's business is to directly and indirectly carry out forest industry operations, in particular the manufacture and sale of pulp and paper, and to carry out other associated operations.

§ 3 Share Capital

The company's share capital shall be at least SEK 750,000,000 and at most SEK 3,000,000,000.

§ 4 Number of shares

The number of shares shall be at least 100,000,000 and at most 400,000,000.

§ 5 Registered office

The registered office of the Board of Directors is in Stockholm, Sweden.

§ 6 Board of directors

The Board of Directors shall be composed of at least six members and at most ten members, with at most six deputies

§ 7 Auditors

One or two auditors and at most two deputy auditors, or a registered firm of auditors, shall be appointed.

§ 8 Annual General Meeting

An Annual General Meeting shall be held each year within six months of the end of the financial year.

The following items of business shall be addressed at the Annual General Meeting:

1. Election of a Chairman of the Meeting;
2. Preparation and approval of a list of voters;
3. Approval of the agenda;
4. Election one of two persons to check the Minutes;
5. Examination as to whether the Meeting has been duly convened;
6. Presentation of the Annual Report and the Auditors' report, and as necessary, of the Consolidated Annual Report and the Consolidated Auditors' Report;
7. Resolutions on

- a) adoption of the Income Statement and Balance Sheet, and as necessary, of the Consolidated Income Statement and Consolidated Balance Sheet,
 - b) distribution of the Company's profit or loss in accordance with the adopted Balance Sheet,
 - c) discharge from liability for the members of the Board and the Managing Director;
8. Determination of the number of Board members and deputies to be elected by the Meeting and, as necessary, determination of the number of auditors and deputy auditors to be elected by the Meeting, or alternatively, determination of whether a registered firm of auditors shall be elected;
 9. Determination of fees payable to the Board of Directors and, as necessary, to the auditors;
 10. Election of members of the Board and deputies, and as necessary, election of auditors and deputy auditors or registered firm of Auditors;
 11. Any other business to be on the agenda of the Meeting pursuant to the Swedish Companies Act (2005:551) or Articles of Association.

§ 9 Notice

Notice of a general meeting of shareholders shall be made in the form of an announcement in an advertisement in the Official Gazette (Post och Inrikes Tidningar) and on the company's website. Confirmation that notice has been given shall be given in an advertisement in Svenska Dagbladet.

Shareholders who wish to participate in negotiations at the general meeting must be included in the printout or other presentation of the full share register as per 5 days prior to the Meeting and must notify the company of their intention to participate by 4 p.m. at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

Shareholders may be accompanied by one or two assistants at the meeting provided that the shareholder has notified the company in accordance with the above paragraph.

§ 10 Financial year

The calendar year will be the financial year of the company.

§ 11 Record day provision

The company's shares shall be recorded on a control register in accordance with the law (1998:1479) on the accounting of financial instruments.

The shareholder or shareholder's representative entered on the established record day in the share register and the control register in accordance with chapter 4 of the law (1998:1479) on the accounting of financial instruments, or the person listed in the control account in accordance with chapter 4 § 18, first paragraph, lines 6-8, of the aforementioned law, shall be considered authorised to exercise the rights expressed in chapter 4 § 39 of the Swedish Companies Act (2005:551).

Procedures for appointing the Nomination Committee

The Nomination Committee shall comprise four members. The Chairman of the Board shall be the secretary of the Nomination Committee. During the autumn of 2012 the Chairman shall contact the major shareholders (judged by size of shareholding) regarding the formation of a Nomination Committee. The names of the members of the Nomination Committee, and the names of the shareholders they represent, shall be published six months at the latest prior to the 2013 AGM and be based upon the known shareholding immediately prior to the announcement. The Nomination Committee is appointed for a term of office commencing at the time of the announcement of the composition of the Nomination Committee and ending when a new Nomination Committee is formed. Unless Committee members decide otherwise, the Chairman of the Nomination Committee shall be the member representing the largest shareholder (judged by size of shareholding). The Nomination Committee forms a quorum when more than half of its members are present.

If during the Nomination Committee's mandate period one or more of the shareholders represented on the Nomination Committee are no longer among the largest shareholders, then their representatives shall resign their positions and the shareholder or shareholders who have become among the largest shareholders shall have the right to appoint their representatives. Unless there is special cause, no changes shall be made to the composition of the Nomination Committee if only minor changes in shareholding have been made, or the changes take place later than two months prior to the AGM that will decide on proposals made by the Nomination Committee.

Shareholders who appoint members to the Nomination Committee have the right to dismiss their representative and appoint a new one. Equally, the shareholder whose representative requests to leave the Nomination Committee before its work is completed has the right to replace such a representative. Changes to the composition of the Nomination Committee shall be published as soon as they take place.

The Nomination Committee shall produce proposals for the following items to be decided by the 2013 AGM:

- a) proposal for Chairman of the Meeting,
- b) proposals for number of Board members,
- c) proposal for nomination of Board members, Chairman and Deputy Chairman of the Board,
- d) proposal for nomination of auditors,
- e) proposals for Board fees and distribution between Chairman and Deputy Chairman of the Board and other members, and possible remuneration for committee work,
- f) proposal for fees to auditors,
- g) proposal for procedures for appointing the Nomination Committee.

The Nomination Committee shall make available the requisite information to Billerud so that Billerud can meet the information requirements of the Swedish code of corporate governance.

Furthermore, the Nomination Committee shall in performing its duties meet the requirements set by the Swedish code of corporate governance for nomination committees, and Billerud shall at the request of the Nomination Committee provide staff resources, such as secretary of the Nomination Committee, in order to facilitate the Nomination Committee's work. If so required, Billerud shall also pay reasonable costs for external consultants and similar which are considered necessary by the Nomination Committee for it to perform its duties.

Erneholm & Haskel

Stockholm 19 June, 2012

The Board of directors of Billerud AB (publ)

Fairness Opinion

Billerud AB (publ) ("Billerud") has concluded an agreement with Investment AB Kinnevik (publ) ("Kinnevik") to acquire 100 per cent of the shares in Korsnäs AB¹ ("Korsnäs"), including its holding of 5 per cent of the shares in Bergvik Skog AB and 75 per cent of the shares in Latgran Biofuels AB (the "Transaction"). The Transaction is subject to approval from relevant competition authorities and approval at Billerud's Extraordinary General Meeting planned to be held in August 2012.

The consideration at the completion of the Transaction consists of:

- SEK 3,200 million in cash²; and
- Newly issued shares in Billerud corresponding to an ownership of 25 per cent³. Based on the closing price of Billerud's share as of 19 June 2012 (SEK 54.75) these shares have a value of SEK 1,896 million.

The above amounts add up to a value of SEK 5,096 million. In addition, it is, inter alia, assumed that Korsnäs and Latgran Biofuels AB have a combined net debt of SEK 5,650 million and a normalized working capital at the closing of the Transaction, which implies that the enterprise value of the Transaction amounts to SEK 10,746 million.

In determining the consideration it has been presumed that Billerud intends to execute a rights issue of around SEK 2,000 million with preferential rights for existing shareholders, whereof Kinnevik has committed to subscribe for its pro rata share of SEK 500 million.

The board of directors of Billerud has engaged Erneholm & Haskel AB ("Erneholm & Haskel") to issue an opinion as to whether the Transaction is fair from a financial point of view for Billerud's shareholders (the "Fairness Opinion").

For the purpose of providing its Fairness Opinion, Erneholm & Haskel has taken into account, among other things, the following material information:

1. Public information on Korsnäs and Latgran Biofuels AB;
2. Discussions with management representatives of Billerud;
3. Non-public material on Korsnäs, Billerud and Latgran Biofuels AB including financial forecasts and synergy calculations;
4. Various financial databases such as Merger Market, Thomson etc.; and
5. Other circumstances and information sources deemed relevant and important by Erneholm & Haskel in preparing its Fairness Opinion.

¹ Fastighetsbolaget Marma Skog 31AB owned by Korsnäs, which holds some forest assets and fall rights, has been excluded in the Transaction.

² Whereof SEK 500 million in a Vendor Note.

³ Based on 103,910,415 shares, which corresponds to the total number of shares in Billerud less repurchased shares excluding those held to secure allocation of shares in incentive programs.

Erneholm & Haskel AB
Västra Trädgårdsgatan 11A
111 53 Stockholm
E-mail: firstname.surname@ehpartners.se

Erneholm & Haskel

Erneholm & Haskel has, without independent verification, presumed the correctness and completeness of, and relied upon, public information and information provided by Billerud and its advisors, or information otherwise considered by Erneholm & Haskel as the basis for this Fairness Opinion.

Erneholm & Haskel has not conducted an independent valuation of assets and liabilities in Korsnäs or Latgran Biofuels AB.

With regard to financial projections and assessments of future performance, Erneholm & Haskel has presumed that such information has been prepared in a reliable manner and is based on the best estimates and assessments presently available.

Erneholm & Haskel has used its best effort in assessing the fairness of all information received as well as in all assessments that have been used as a basis for this Fairness Opinion.

Erneholm & Haskel has neither reviewed nor assessed the legal agreements regarding the Transaction. The Fairness Opinion is based on the assumption that the legal agreements adequately protect all assets necessary to reach the projected earnings.

The Fairness Opinion is exclusively intended for the board of directors of Billerud in relation to its assessment of, and decision on, the Transaction and the Fairness Opinion concern the fairness of the Transaction only from a financial point of view. The Fairness Opinion is based on financial, economic, market and other conditions, as well as information made available to us as of the above date, due to which the Fairness Opinion cannot be cited as of any other date. This Fairness Opinion has been issued in reference to Erneholm & Haskel's assignment as stated above and may not be cited or utilised other than through publication in its entirety without the prior written consent of Erneholm & Haskel. The Fairness Opinion does not constitute a recommendation to any of Billerud's directors or, if applicable, any other relevant stakeholder as to how one should vote with regards to the Transaction.

The estimated total value of the Transaction comes from two main sources, (i) the value of Korsnäs' and Latgran Biofuels AB's operations stand alone, and (ii) the value of the future synergies that Billerud expects to capture by adding Korsnäs' operations to Billerud's.

Taking the above into consideration, it is Erneholm & Haskel's opinion that the Transaction as of this date can be considered fair from a financial point of view for Billerud's shareholders.

Erneholm & Haskel is an independent financial adviser specialised in corporate finance. The operations, which are based in Stockholm, occasionally involve valuation assignments and the issuance of formal opinions.

Sincerely,

Erneholm & Haskel AB

[signed]
Stefan Erneholm

[signed]
Stefan Haskel

Power of attorney

Please send the original version of this power of attorney, signed and dated, together with other authorisation documents (if necessary) to **Billerud AB, "EGM", PO Box 7841, SE-103 98 Stockholm, Sweden** in good time before the Extraordinary General Meeting to be held on 14th of September 2012. Please also notify an intention to attend the meeting within the prescribed time and in the prescribed way (see invitation).

Power of attorney for proxy

The following person:

Name of proxy:

Personal code number of proxy (if owning shares):

Address:

Daytime telephone no.:

is hereby authorised to represent all of my/our shares at the Extraordinary General Meeting of Billerud AB on 14th of September 2012.

Shareholders' name/company:

Personal code no. /Organisation no.:

Daytime telephone no.:

Place and date (obligatory):

Signature of shareholder granting power of attorney (or person authorised to sign on behalf of a legal entity).

.....
Signature

.....
Name in block letters

If the person granting power of attorney is signing on behalf of a legal entity than an up-to-date registration certificate or similar document must be enclosed with this power of attorney as evidence of authorisation to sign on behalf of the legal entity.

This is an in-house translation of the original Swedish language version of this corporate document. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.



Information, according to rule 2.6 of the Swedish Code of Corporate Governance, regarding candidates nominated for election as Board Members.

Proposed new Board Members at the Extraordinary General Meeting 14 September 2012

Hannu Ryöppönen

Born 1952.

Independent of the company and its executive management and independent in relation to the company's major shareholders.

Education

Graduate in Business Administration, Hanken School of Economics, Helsinki

Other significant assignments

Chairman of the Board of Altor's Private Equity-funds and Hakon Invest AB and Board Member of Amer Sport Corporation Oyj, Novo Nordisk A/S, Neste Oil Oyj, Rautaruukki Oyj, Korsnäs AB and Value Creation Investments Limited. Hannu Ryöppönen is also a member of Citi Nordic Advisory Board.

Work experience

Chairman of the Board in Tiimari Oyj and Board Member in ICA AB. He has been the CFO, and vice CEO, of Stora Enso Oyj, the CFO of Royal Ahold BV, IKEA and Industri Kapital and has also had a number of executive management positions within Chemical Bank and Alfa Laval.

Wilhelm Klingspor

Born 1962.

Independent of the company and its executive management. Not independent in relation to the company's major shareholders.

Education

Graduated Forest Engineer from the Swedish University of Agricultural Sciences, Skinnskatteberg.

Other significant assignments

Board Member of Investment AB Kinnevik and Korsnäs AB and the CEO of Hellekis Säteri AB.

Work experience

Board Member of Industriförvaltnings AB Kinnevik.

Mikael Larsson

Born 1968.

Independent of the company and its executive management. Not independent in relation to the company's major shareholders.

Education

Graduate in Business Administration, Uppsala university

This is an in-house translation of the original Swedish language version of this corporate document. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.

Other significant assignments

Board Member of Transcom WorldWide S.A, Bergvik Skog AB, Latgran Biofuels AB, Vireo Energy AB and Relevant Traffic Europe AB and the CFO of Investment AB Kinnevik.

Work experience

Group Controller of Scandinavian Leisure Group (today Thomas Cook Northern Europe). Mikael Larsson has also worked with auditing etc. at Arthur Andersen (today Deloitte).

Mia Brunell Livfors

Born 1965.

Independent of the company and its executive management. Not independent in relation to the company's major shareholders.

Education

Studies in Business Administration, Stockholm university

Other significant assignments

Chairman of the Board of Metro International S.A., Board Member of Korsnäs AB, Tele2 AB, Millicom International Cellular S.A., Modern Times Group MTG AB, H&M Hennes & Mauritz AB, CDON Group AB and the CEO and President of Investment AB Kinnevik.

Work experience

Previously a number of executive management positions within Modern Times Group MTG AB.

The proposed Board Members do not have any holdings of shares in Billerud on 13 August 2012. However, Wilhelm Klingspor, Mia Brunell Livfors and Mikael Larsson have board or executive management assignments in Investment AB Kinnevik that after the combination between Billerud and Korsnäs will be the major shareholder in the new group.

Solna, 29 November 2012

Dear BillerudKorsnäs shareholder,

The combination of Billerud and Korsnäs is completed and BillerudKorsnäs is formed!

We are now a stronger company with greater opportunities to create growth, sound profitability and increased benefits for our customers, and hence good conditions for increased shareholder value.

We will now, in accordance to the decision made at the extraordinary general meeting held on 14 September, take the next step and complete the planned rights issue of approximately SEK 2 billion. Those who, on 6 December 2012, are registered as shareholders in BillerudKorsnäs (i.e. the company formerly known as Billerud) will receive subscription rights with preferential right to subscribe for new shares in the rights issue. The two largest shareholders of BillerudKorsnäs, Kinnevik and Frapag, have committed to subscribe for shares in the rights issue to a total which corresponds to their ownership share in the company.

Those who, on 6 December 2012 are directly registered shareholders in BillerudKorsnäs will within short receive a prospectus containing information on how to proceed in subscribing for shares as well as information about the new group BillerudKorsnäs. The prospectus is already available at www.billerudkorsnas.com.

Some important dates in 2012:

- 7 - 21 December – New shares can be subscribed for. Payment must take place on 21 December at the latest.
- 18 December – Last day to sell your subscription rights.

Please note that the subscription rights are expected to have an economic value. In order not to lose the value of the subscription rights, holders must subscribe for new shares or sell the subscription rights received but not exercised.

If your BillerudKorsnäs shares are held in a custody account, you should follow the instructions that will be provided by your bank or securities institution.

If you have any questions regarding the rights issue, please call **+46 (0)8 553 335 00** or contact your bank.

I would also like to wish you a Merry Christmas and a Happy New 2013!



Per Lindberg, President and CEO
BillerudKorsnäs AB (publ)