

Proposal to the annual general meeting of Billerud AB to issue convertibles to be subscribed for by employees

The Board of Directors of Billerud AB has decided to propose to the Annual General Meeting to be held on 7 May 2002, in deviation from shareholders' pre-emption rights, that a convertible debenture loan will be issued to be subscribed for by the Group's employees in Sweden.

The proposed main terms for the issue of the convertible debenture loan are as follows:

- The loan will amount to a maximum of SEK 140 million and the term of the loan will be from 20 June 2002 to 20 June 2007. The loan can be converted into shares from 21 February 2006 to 15 May 2007. The loan will carry an annual interest of 12-month STIBOR minus approximately 1.0 percentage points.
- The conversion price will correspond to 115% of the average market price for a Billerud share in the period 14-21 May 2002. The dilution effect is estimated to be a maximum of 2.5 per cent of share capital and votes.

Stockholm, 19 March 2002
Billerud AB

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