

Billerud invests in the energy field

The Board of Directors of Billerud AB has decided to invest around MSEK 1,050 in the energy field. The decision will lead to reduced costs at Billerud's three pulp and paper mills in Sweden – Gruvön, Karlsborg and Skärblacka. The investment will include new turbines for backpressure power and rebuilt bark boilers at all three mills and new electricity supply at Gruvön.

The investment will raise internal generation of electricity by around 0.5 TWh per year. Self-sufficiency in electricity, currently at around 30%, will soar to around 60%. Oil consumption will be cut by two thirds, or around 30,000 cubic metres per year, as biofuel is used instead. The investment will also have positive environmental effects in the form of reduced carbon dioxide emissions, among other things. The new equipment will come on stream in stages from the second half of 2005 up to the end of 2006. Investment funds will be paid out over a three-year period.

Billerud has established an investment programme in line with the rate of depreciation. The new energy-related projects outlined above will be outside this investment programme. The new investments meet Billerud's requirements for financial return and have a payback period of less than five years.

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Billerud Billerud is a packaging paper company with a business concept to supply customers with innovative and high quality packaging paper. A consistent concentration on attractive market segments and a strong customer focus are cornerstones of Billerud's strategy. Billerud focuses on kraft paper and containerboard and has a world-leading position within several product segments. The company's production units are among the most cost-efficient in Europe for these products.