

Billerud speeds up the pace of its rationalisation programme

Billerud has previously announced a review of its organisation with the aim of cutting costs by at least MSEK 250 per year.

Billerud AB's Board of Directors has now decided to implement a major programme of changes. Organisation costs will be cut by at least MSEK 250 on an annual basis. The programme will come into immediate effect and should be completed by the end of 2006. The full effects will be noted in 2007.

The changes include a reduction of around 450 full-time jobs in Billerud's current organisation. Preparatory work focused on changed working methods, measures to raise competence levels and a more efficient utilisation of shared resources has been underway since the end of 2004. The proposed staff changes affect all four of the Group's mills – Gruvön, Karlsborg and Skärblacka in Sweden, and Beetham in the UK.

Staff reductions will primarily be in the form of early retirement. Statutory negotiations with the trade unions will start immediately. One-off costs for the programme are calculated at MSEK 400.

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Billerud is a packaging paper company with a business concept to supply customers with innovative 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.