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**Billerud carries out environmental and energy improvements in Skärblacka**

**The Board of Billerud AB has decided to proceed with an environmental and energy investment at Skärblacka mill outside Norrköping. The goal is to strengthen the mill for the future by improving environmental performance and energy efficiency as well as enabling future expansion. The investment is expected to amount to SEK 900 million.**

The investment includes upgrading the recovery boiler and its flue gas cleaning system with the best available technology. In addition a new evaporation unit will be build to improve energy efficiency at the mill. This will lead to a substantial reduction in consumption of fossil oil and external biofuels. Billerud has applied to the Land and Environment Court in Växjö for permission to implement these changes and received approval on 29 November 2011. The entire project is scheduled for completion at the end of 2013.

The investment is expected to amount to SEK 900 million, broken down as follows: approximately 15% in 2011, approximately 50% in 2012 and approximately 35% in 2013. With this investment in Skärblacka, the Billerud Group's total investments in property, plant and equipment for 2012 are estimated to amount to approximately SEK 800 million. Depreciation amounts to approximately SEK 600 million per year.

Skärblacka's Managing Director, Tor Lundqvist ,comments: "I see Billerud's major investment in modernisation of the mill in Skärblacka as a good sign for the future. Environmental improvements are made continually at the mill and reduced energy costs will strengthen our competitiveness. Our responsibility now is to manage this in the best possible manner."

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