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THE PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR APPROPRIATION OF PROFIT AND MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 OF THE SWEDISH COMPANIES ACT (ITEM 10B ON THE AGENDA)

The Board of Directors proposes that the Annual General Meeting of 4 May 2011 decides to pay a dividend of SEK 3.50 per share. The Board of Directors proposes Monday 9 May, 2011 as record day for the dividend. If the Meeting approves the Board's proposal, payment via Euroclear Sweden AB is expected to be sent on Thursday 12 May, 2011.

The board submits the following motivated statement in accordance with Chapter 18 Section 4 of the Swedish Companies Act (2005:551):

As presented on page 98 of the 2010 annual report, non-restricted shareholders' equity in the parent company, Billerud AB, amounted to SEK 2,992,037,580 on 31 December 2010. The Board of Directors of Billerud proposes that the dividend for 2010 shall be SEK 3.50 per share, equalling a total of approximately MSEK 360,9. The remaining amount shall be carried forward in a new account. The reason for this proposal is as follows:

According to Billerud's financial goals, the dividend shall be 50% of the net profit per share and the net debt/equity ratio shall be between 0.6-0.9 times over a business cycle. At the end of 2010 Billerud's net debt/equity ratio was 0.03, a decrease by 0.26 compared with 2009, and also lower than target. The Board of Directors of Billerud proposes that of the profit of 2010 per share of SEK 6.84, a dividend for 2010 of SEK 3.50 per share is distributed and that the remaining amount shall be carried forward in a new account. The Board of Directors of Billerud's proposal means that the dividend for 2010 will be 51 % of the net profit.

Relating to the above, the Board of Directors of Billerud believes that the proposed dividend appear to be justified taken into consideration;

1. the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations of Billerud (and also the Billerud group), and
2. Billerud's (and also the Billerud group) need to strengthen its balance sheet, liquidity and financial position in general.

Billerud AB (publ)
The Board of Directors
March 2011