

ROTTNEROS INTERIM REPORT

Q3 January–September 2018



**RECORD PROFIT
FOR THE THIRD
QUARTER**

**MENTORSHIP
FOR NEW
EMPLOYEES**

**LOWER FIXED
COSTS**



Customised pulp for
the pulp market, with
a focus on growth in
selected niches

YOUR PULP COMPANY

RECORD PROFIT FOR THE THIRD QUARTER

- **Net turnover** for the third quarter of 2018 rose by 27% to SEK 601m (472).
- **EBIT** for the third quarter of 2018 increased by 152% to SEK 111m (44) and represents a record for a single quarter in the Group's current structure, despite the cost of annual maintenance shutdown in Rottneros Mill during the quarter.
- **Profit after financial items** for the third quarter surged to SEK 106m (41) and for the nine months to SEK 269m (159). Earnings per share for the third quarter rose to SEK 0.54 (0.21) and for the nine months to SEK 1.39 (0.81).
- **NBSK list price** during the third quarter 2018 was 51% higher in SEK compared with the third quarter 2017. Compared with the second quarter 2018, the list price in SEK was 9% higher.
- **Rising pulp wood costs** had a negative effect of some SEK 50m and pulp price hedges a negative effect of SEK 43m on the third quarter results, compared with third quarter 2017.
- **Focus on increased profitability.** Fixed costs for the third quarter were SEK 23m lower compared to the third quarter of 2017, equal to a decrease of 17%.
- **Production volume** for the third quarter was stable at 100.0 (102.5) thousand tonnes.
- **Investments** are progressing according to plan, in terms of both increased capacity and costs. During the third quarter, investments in the CTMP line in Rottneros Mill were commissioned, increasing the mill's capacity by 18,000 tonnes per year, with full effect by 2020.

The quarter and first nine months in figures

	Jul-Sep 2018	Jul-Sep 2017	change, %	Jan-Sep 2018	Jan-Sep 2017	change, %	Rolling 12 months	Jan-Dec 2017
Net turnover, SEK m	601	472	27	1,738	1,416	23	2,234	1,912
EBITDA, SEK m	136	66	106	355	226	57	376	247
EBIT, SEK m	111	44	152	283	163	74	276	156
Profit after financial items, SEK m	106	41	159	269	159	69	257	147
Net income, SEK m	82	32	156	212	124	71	202	114
Earnings per share, SEK	0.54	0.21	157	1.39	0.81	72	1.33	0.75
Cash flow from operating activities, SEK m	97	57	70	180	148	22	254	222
Return on capital employed (rolling 12 months), %				19.5	13.6		19.5	12.9
Production, thousand tonnes	100.0	102.5	-2	300.0	306.8	-2	394.4	401.2
Deliveries, thousand tonnes	92.5	95.7	-3	288.2	295.8	-3	388.3	395.9



COMMENTS BY THE CEO: RECORD PROFIT FOR THE THIRD QUARTER

We are currently in a strong market situation, which has clearly characterized the third quarter of the Rottneros Group. The combination of high pulp prices, a favourable currency situation and our well-functioning processes are the main reasons for the strong results. A solid proof of the high engagement among our employees is the fact that we have reduced our fixed cost with 17 per cent during the quarter.

Net turnover increased by 27 per cent to SEK 601m (472). EBIT surged by 152 percent to SEK 111m (44) and represents a record for a single quarter in the Group's current structure. This despite a difficult pulp wood situation and that the maintenance shutdown at Rottneros Mill was slightly longer than planned.

Both mills have been running well and the total production volume was 100 thousand tonnes (102.5). Investments in the CTMP line at Rottneros Mill are in line with plan and will provide an additional 18,000 tonnes per year with full effect by 2020. A positive side effect of the investment will be lower energy consumption per tonne pulp.

The new organization that has been in place since the turn of the year works well and contributes to the good result. We have been working in a structured and cost-conscious way and created good dedication among all employees.

High wood costs impact the results

The difficult raw material situation for wood, linked to the extremely dry spring and summer in Sweden, has stabilized substantially after the end of the quarter, and the availability of fibre raw materials is better with certain regional differences. However, price levels have risen in general and together with increased import volumes the third quarter results are impacted by approximately SEK -50m.

Rottneros' wood procurement organization and our subsidiary SIA Rottneros Baltic have managed to supply both of our mills with raw materials during the period of shortage in Sweden due to the weather situation. Rottneros usually imports about 10-12 per cent of its needs, mainly from Latvia. During 2018 this proportion has risen to 20-25 per cent. Being able to run our mills at full capacity and maintaining deliveries to our customers confirms the value of our own procurement team in the Baltics. The increased cost due to a higher share of import is a conscious decision in order to secure our pulp deliveries to customers.

Exciting prospects

The construction of Rottneros Packaging's manufacturing plant in Sunne runs according to plan. The plant will manufacture moulded pulp trays, especially for the food industry. It is for example single-use packages for ready-made meals, fresh meat and takeaway food. The moulded pulp trays, with raw material directly from the Group, compete with plastic alternatives.

Equipment has been moved into the new premises, and final adjustments and start-up are ongoing. During September, necessary environmental permits were also obtained for the start of production later this year.

Competence

Both today and in the future, getting the right competence is a key issue for Rottneros. We need to attract younger employees interested in technology who can bridge the generational shift and help develop the company. Given our geographical locations, we need to work harder compared to other companies to ensure that the right people are attracted to us. On the last page of this report you can read more about these initiatives.

Market

We need our own presence in key markets to increase knowledge and build closer relationships with our customers. For this reason, a sales manager has been recruited with dedicated responsibility for the German market, which currently accounts for approximately 17 per cent of Rottneros' sales. This means that cooperation with external agent will be phased out. Consequently, we will handle nearly 50 per cent of our total sales in-house.



Outlook

Rottneros is in a currently strong market. However, price increases have levelled out during the quarter and the supply and demand balance has been normalized. In the short term there may be some uncertainty, not least in view of an increasingly unstable world. However, we still see a robust balance in the medium term, as there will not be much new capacity in the coming years. Having said that, one must at the same time be humble and remember that the pulp market is inherently cyclical.

What may challenge a continued positive earnings development for Rottneros is the risk of increasing electricity and wood prices. We closely monitor the development and maintain a well-balanced position through various agreements with our suppliers.

The good quarterly results demonstrate the effect of a strong team effort. I therefore want to warmly thank all employees who have made this possible through great commitment and determination. At the same time, I would like to thank our customers, suppliers, owners and lenders.

Lennart Eberleh

MARKETS AND PRODUCTS

The underlying demand for pulp is good in emerging markets and stable in the mature economies. The structural decline in graphic paper continues, but has been offset by increased global fibre consumption in packaging and tissue paper.

Deliveries of chemical market pulp worldwide (World-20) during January-August amounted to nearly 34 million tonnes, an increase of 1.4 per cent from 2017. Demand increased moderately for NBSK, but stronger for eucalyptus pulp and unbleached sulphate pulp. In contrast, other pulp types showed declining demand.

Demand during the year was good in Europe and China, but stagnated or declining in other parts of the world. Industrial capacity utilisation during January-August was 88 per cent.

Producer stocks at the end of August were 5.4 million tonnes, equal to 39 days of consumption, broken down to 33 days for long-fibre pulp and 45 days for short-fibre pulp.

Pulp market prices have been stable during the third quarter and in October. The NBSK gross price increased by USD 30 in July and has since then been USD 1,230. The price trend for mechanical pulp has essentially been in line with the market, although at a lower level than NBSK.



NBSK quarterly gross prices, 2013-2018



* Average quarterly gross prices for softwood sulphate pulp deliveries in Europe.

PRODUCTION AND DELIVERIES

Production volume in the third quarter of 2018 was stable at 100.0 (102.5) thousand tonnes.

The Group's customer deliveries during the third quarter of 2018 were 3 per cent lower than in the same period of 2017, due to the build-up in stocks at Vallvik Mill prior to the annual maintenance shutdown. Rottneros' market is strong with a good balance between supply and demand.

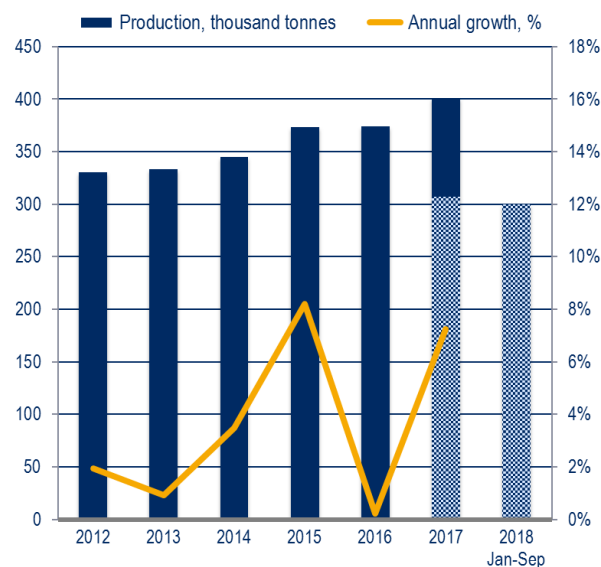
PRODUCTION, TONNES

	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Sulphate pulp	62,100	62,900	172,600	178,800	228,600
Groundwood pulp	15,300	15,100	52,300	51,900	71,300
CTMP	22,600	24,500	75,100	76,100	101,300
TOTAL	100,000	102,500	300,000	306,800	401,200

DELIVERIES, TONNES

	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Sulphate pulp	48,300	53,500	156,700	170,600	225,100
Groundwood pulp	17,200	16,000	53,600	52,200	72,200
CTMP	27,000	26,200	77,900	73,000	98,600
TOTAL	92,500	95,700	288,200	295,800	395,900

Annual volumes and annual growth





SALES AND RESULTS – THIRD QUARTER

Turnover in the third quarter of 2018 rose to SEK 601m (472), an increase of 27 per cent. Turnover increased mainly thanks to a higher price level for Rottneros' deliveries. The NBSK list price denominated in SEK rose 51 per cent compared with the third quarter of 2017. Delivery volume in tonnes decreased by 3 per cent compared with the third quarter of 2017. Turnover for the quarter also includes sales of wood raw material of SEK 27m (0).

EBIT for the third quarter of 2018 increased by 152 per cent to SEK 111m (44), corresponding to 18.5 (9.3) per cent of turnover. Profit for the quarter was affected positively by the higher price level for Rottneros' products and negatively by the higher pulp wood costs as well as by pulp price hedges. Fixed costs for the quarter were lower than for the third quarter of 2017.

Third quarter 2018 compared with third quarter 2017

	Jul-Sep 2018	Jul-Sep 2017	change, %
NBSK, USD	1,227	895	37
SEK/USD	8.95	8.14	10
NBSK, SEK	10,983	7,279	51
Net turnover, SEK m	601	472	27
EBIT, SEK m	111	44	152

Maintenance shutdowns and seasonal variations

Similarly to last year, a maintenance shutdown was carried out at Rottneros Mill in the third quarter. The annual maintenance shutdown at Vallvik Mill was performed at the start of the fourth quarter, as in the previous year.

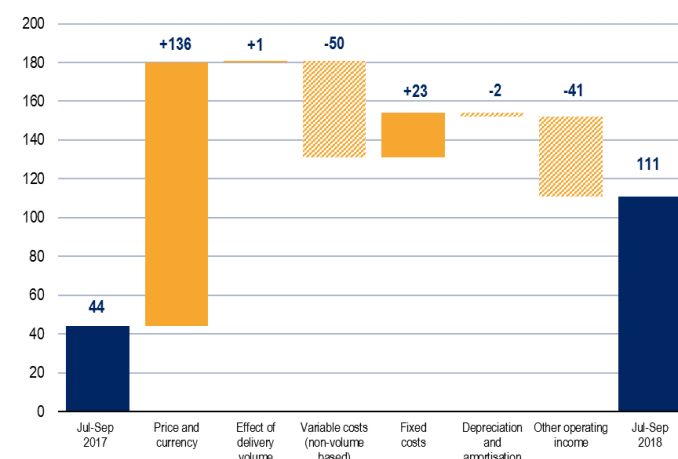
In accordance with generally accepted accounting practices, the direct costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. The maintenance shutdown also involves a certain loss of production, affecting results for the quarter in which the shutdown takes place.

	Maintenance shutdown date		Estimated cost of shutdown 2018 (SEKm)
	2018	2017	
Rottneros Mill	Q3	Q3	15
Vallvik Mill	Q4	Q4	67

The estimated cost of shutdown includes both direct costs and the indirect effect from the loss of production, and it represents an assessment of the impact of a typical annual maintenance shutdown on earnings in relation to a quarter without a maintenance shutdown. In October 2018, more extensive maintenance on the recovery boiler in Vallvik Mill led to a longer shutdown than in a normal year. Therefore, the indirect effect will also be larger.

Otherwise, the Rottneros Group is not affected by regular seasonal variations to any appreciable extent.

Differences in EBIT Q3 2018 compared with Q3 2017 (SEKm)



Variable costs (non-volume based) for the quarter increased mainly due to higher pulp wood prices which, together with higher import volumes, had an effect of some SEK 50m compared to the third quarter of 2017.

The average price of electricity on the Nord Pool electricity exchange (area SE3) amounted to SEK 0.54 (0.32) per kWh for the third quarter of 2018, which is 69 per cent higher than during the third quarter of 2017. Thanks to hedges at a lower price level than in 2017, the cost of electricity after price hedges was SEK 3m lower than in third quarter of 2017. Income from electricity

price hedges was SEK 20m (3) in the third quarter of 2018. See also page 9 for price hedges related to future periods.

Fixed costs for the quarter decreased thanks to ongoing efficiency measures.

Other operating income during the quarter was lower than in the third quarter of 2017, primarily due to a loss of SEK 44m (loss of 1) from pulp price hedging. See also page 9 for price hedges related to future periods.



Image: Monica Pasanen, CFO (on the left) together with Monica Geschwindt who is a financial controller for Vallvik Mill and the parent company.

SALES AND RESULTS – JANUARY-SEPTEMBER

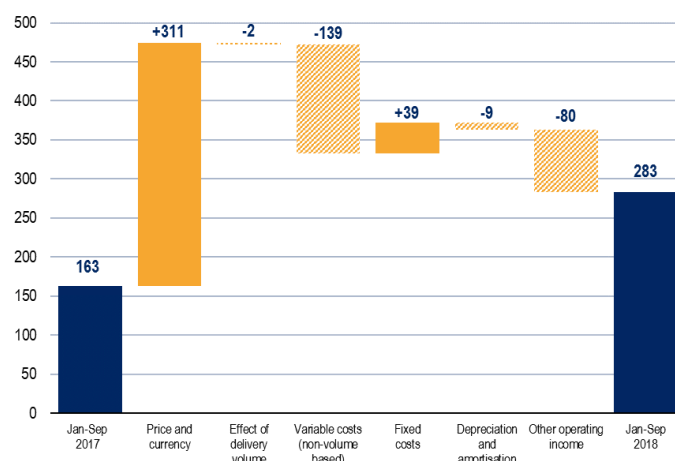
Turnover for January-September 2018 amounted to SEK 1,738m (1,416), an increase of 23 per cent. Turnover increased mainly thanks to a higher price level for Rottneros' deliveries. The NBSK list price denominated in SEK rose 33 per cent compared with January-September 2017. Delivery volume in tonnes decreased by 3 per cent compared with January-September 2017. Turnover for the quarter also includes sales of wood raw material of SEK 68m (1).

EBIT for January-September 2018 rose by 74 per cent to SEK 283m (163), corresponding to 16.3 (11.5) per cent of turnover. Profit for January-September was affected positively by the higher price level for Rottneros' products and negatively by the higher pulp wood costs as well as by pulp price hedges. Fixed costs for January-September 2018 were lower than for January-September 2017.

January-September 2018 compared with January-September 2017

	Jan-Sep 2018	Jan-Sep 2017	change, %
NBSK, USD	1,148	857	34
SEK/USD	8.58	8.61	0
NBSK, SEK	9,850	7,384	33
Net turnover, SEK m	1,738	1,416	23
EBIT, SEK m	283	163	74

Differences in EBIT for January-September 2018 compared with January-September 2017 (SEK m)



Variable costs (non-volume based) for January-September increased due to higher pulp wood prices which, together with higher import volumes, had an effect of some SEK 110m compared with January-September 2017. Variable costs were also impacted by higher freight costs and by higher usage of oil in connection with production disruptions in Vallvik Mill during the first half-year. In Rottneros Mill, the new biofuel boiler has resulted in more efficient energy supply and lower energy costs compared to January-September 2017.

The average price of electricity on the Nord Pool electricity exchange (area SE3) amounted to SEK 0.44 (0.30) per kWh for January-September 2018, which is 47 per cent higher than during January-September 2017. Thanks to hedges at a lower price level than in 2017, the cost of electricity after price hedges was SEK 1m lower than in January-September 2017. Income from electricity price hedges was SEK 42m (8) in January-September 2018. See also page 9 for price hedges related to future periods.

Fixed costs for January-September decreased by SEK 39m, or 10 per cent, compared to January-September 2017, thanks to ongoing efficiency measures. The rate of savings increased towards the end of the period.

Other operating income for January-September was lower than in January-September 2017, primarily due to a loss of SEK 87m (loss of 4) from pulp price hedging. See also page 9 for price hedges related to future periods.

Other income statement items

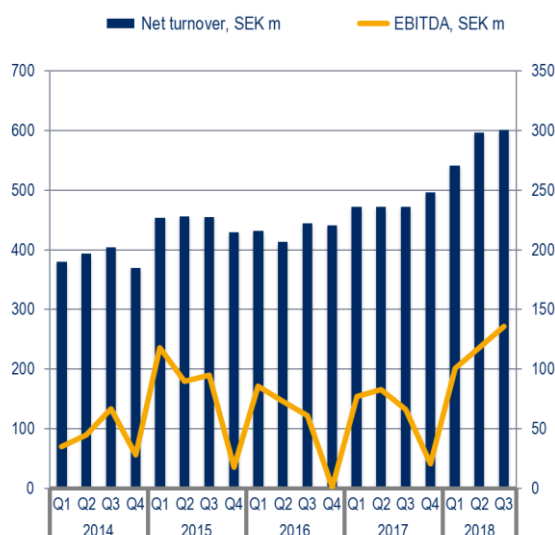
Net financial expenses increased to SEK 14m (4) for January-September 2018, due to the bond of SEK 400m that Rottneros issued in August 2017.

Profit after financial items for the Group increased by 69 per cent to SEK 269m (159) for January-September 2018.

The income tax expense for January-September 2018 was SEK 57m (35). Rottneros plans to take advantage of higher tax depreciation in 2018, which means that the Group is reporting a deferred tax expense instead of tax paid.

Net income totalled SEK 212m (124) and earnings per share SEK 1.39 (0.81) for January-September 2018.

Return on capital employed, measured over a rolling 12-month period, was 19.5 per cent (13.6). Return on equity, measured over a rolling 12-month period, was 15.3 per cent (10.0).



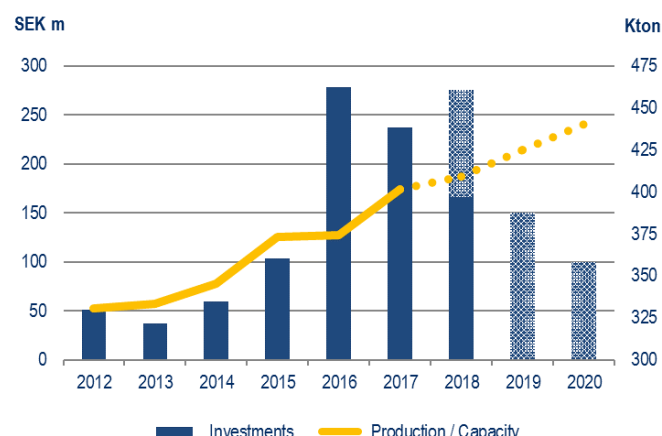
INVESTMENTS

Investments in fixed assets during January-September 2018 amounted to SEK 166m (149). The investments relate both to equipment to increase capacity and efficiency, and to environmental investments. During the third quarter, investments on the CTMP line in Rottneros Mill were commissioned, increasing the mill's capacity by 18,000 tonnes per year, with full effect by 2020. Earlier during the year, the extended biological treatment of process water was successfully taken into use in Rottneros Mill.

During 2018, the Group will complete Agenda 500, the long-term strategic action plan to strengthen and develop Rottneros. For Vallvik Mill, the remaining investments include a recovery boiler project, with the aim of increasing safety, and several smaller measures to increase capacity. The Board of Directors has decided on total investments of about SEK 710m within the scope of Agenda 500. The annual capacity after the investments is estimated to be about 440 thousand tonnes.

In addition to Agenda 500, the Board has decided on investments of approximately SEK 140m. These investments mainly relate to the weak gas system at Vallvik Mill, reducing odorous gases, and to the new factory in industrial scale for Rottneros Packaging. Both are expected to be taken into use during the fourth quarter of 2018. When these investments are completed, the level of investments can be reduced to some SEK 150m in 2019 and to some SEK 50-100m per year thereafter. In addition to replacement investments, the focus will be on eliminating bottlenecks and increasing efficiency.

Rottneros investments and capacity expansion



FINANCIAL POSITION

In order to complete financing of the Agenda 500 strategic plan and to optimise the Group's capital structure in the long term, Rottneros AB issued an unsecured bond of SEK 400 million in August 2017 with a maturity of 5 years to primarily Nordic institutional investors. The bond bears variable interest of STIBOR 3m + 4.15 per cent and must be repaid in September 2022. The bond has a framework amount of SEK 600 million, which allows for an additional bond issue of SEK 200 million. The bond is listed on Nasdaq Stockholm. The bond terms contain standard covenants in the form of net debt to EBITDA of a maximum of 3.5, minimum equity/assets ratio of 50%, and a maximum dividend of 50% of the previous year's net income. These covenants were fulfilled on the balance sheet day.

The Group's cash and cash equivalents amounted to SEK 257m at the end of the third quarter, compared with SEK 326 million at year-end 2017. Interest-bearing liabilities amounted to SEK 395m at the end of the third quarter. Net debt at the end of the third quarter totalled SEK 138m, compared with SEK 68m at the end of 2017. Total granted and unused credit facilities amounted to SEK 182 million at the end of the quarter.

The equity/assets ratio amounted to 60 (60) per cent as of 30 September 2018. Equity per share totalled SEK 9.22 (8.04) at the end of the quarter.

CASH FLOWS

Cash flow from operating activities for January-September 2018 amounted to SEK 180m (148). Cash flow was higher thanks to higher EBIT, but was held back by an increase in working capital. Cash flow after investments in non-current assets for January-September was SEK 14m (-1).

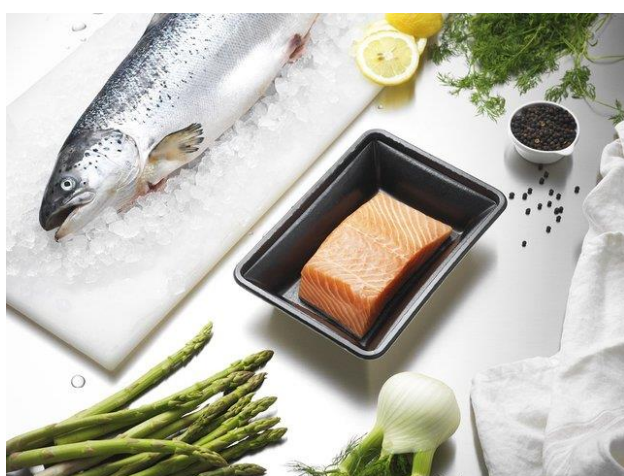
Shareholders were paid a dividend of SEK 56m (61) million in the second quarter.

Net cash flow for January-September 2018 was SEK -69m (324).

ROTTNEROS PACKAGING

Rottneros Packaging, the Group's development area for eco-friendly fibre trays, started industrial production and customer deliveries in 2017. The manufacturing process and product quality will thereby be developed. An entirely new production line is currently being built in Sunne. Equipment has been moved into the new premises, and final adjustments and start-up are ongoing. During September, necessary environmental permits were also obtained for the start of production later this year.

Through the EU project PULPACKTION, Rottneros is also developing fully bio-based packaging trays at a competitive price, thereby contributing to more sustainable development in the packaging industry. The project began in October 2016 and will run for four years.



COLLABORATION ON RENEWABLE FUEL

In September 2017, Rottneros and RenFuel entered into an agreement to deliver the residual product lignin for the production of Lignol®, RenFuel's patented lignin oil that can be refined into renewable petrol and diesel. Test deliveries of lignin from Vallvik Mill for RenFuel's testing and pilot plant in Bäckhammar, Värmland county, were started during the first half-year.

In May, Rottneros, RenFuel and Preem announced that the companies are assessing the construction of the world's first lignol plant for biofuels at Vallvik Mill. The plant is expected to produce an annual volume of 25-30,000 tonnes of lignin and be completed in 2021. In addition to contributing to the transport sector's shift from fossil fuel to biofuel, the extraction of lignin also gives an opportunity to increase pulp production in Vallvik Mill.

CHANGES IN MANAGEMENT

Kristin Israelsson started as Mill Director of Rottneros Mill at the beginning of September. She has earlier worked 16 years at BillerudKorsnäs, most recently as section head in the pulp mill of Gruvön. She is part of the Rottneros Group Management Team.

PARENT COMPANY

The loss for the parent company after financial items for January-September 2018 amounted to SEK -28m (-20).

NUMBER OF EMPLOYEES

The average number of employees during January-September 2018 was 306 (295). The increase was mainly attributable to capacity expansion and skills enhancement.

SHARE INFORMATION

Largest shareholders on 30 September 2018

Shareholders	Number of shares (=votes)	Per cent of capital
Arctic Paper S.A.	78 230 883	51,0
PROAD AB	8 190 000	5,3
Försäkringsaktiebolaget Avanza Pension	3 225 049	2,1
State Street Bank and Trust Co, W9	2 213 196	1,4
Lind Value ApS	1 800 000	1,2
BNY Mellon NA (Former Mellon), W9	1 618 983	1,1
UBS Switzerland AG, W81MY	1 594 700	1,0
Santander Securities Services, S.A., W81MY	1 480 538	1,0
SEB Investment Management	1 460 276	1,0
CBNY-DFA-Int SML Cap V	1 289 898	0,8
Total for 10 largest owners – by size of holding	101 103 523	65,9
Other shareholders	51 468 402	33,6
Rottneros AB (treasury shares from buy-back)	821 965	0,5
TOTAL	153 393 890	100,0

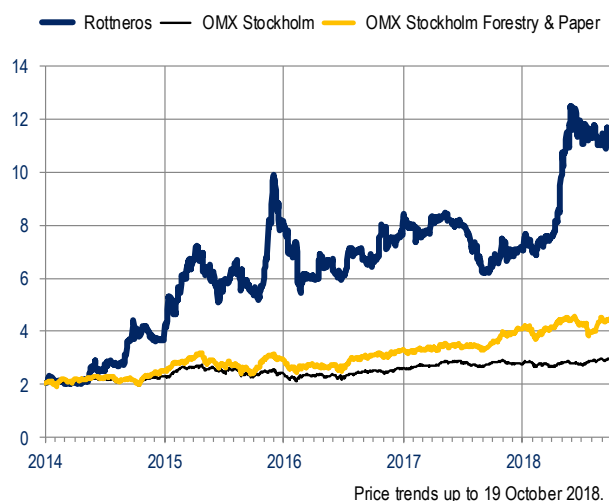
Number of shares and treasury shares

The number of shares in Rottneros totals 153,393,890. Rottneros holds 821,965 treasury shares. No change in treasury shares has occurred during January-September 2018.

Share price trend during January-September 2018

On 30 September 2018, the price of Rottneros shares was SEK 11.24 (7.15 at the end of 2017). The average price during January-September was SEK 10.33 (7.70).

Price trend for Rottneros shares and Stockholm Stock Exchange, 2014-2018



Transactions with related parties

During January-September 2018, Rottneros sold pulp to the related party Arctic Paper S.A. Group in the amount of SEK 78m (108). Outstanding operating receivables from Arctic Paper totalled SEK 25m (23) at quarter-end. The transactions took place at market conditions.

RISK MANAGEMENT

Operationally, the Company uses a number of measures and strategies – for example, focusing on niches and various specific customer segments – aimed at reducing the Group's dependence on market pulp list prices and at moderating fluctuations in profitability over a business cycle. The factors that have the greatest impact on the Group's results are linked to exchange rates and the price of pulp, wood and electricity.

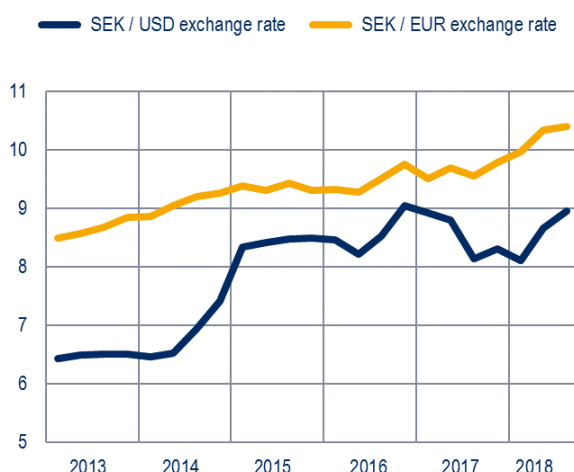
Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus high. The direct inflow of USD (the real flow) represents approximately 45 per cent of the inflow, and of EUR approximately 40 per cent. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal term of a customer contract is between one and three months.

The average USD rate in January-September 2018 was at the same level as in January-September 2017. During the third quarter, however, the average USD rate was 10 per cent higher than in the third quarter of 2017.

On 30 September 2018, Rottneros had unrealised currency hedges related to October-November 2018 with a fair value of SEK 1m.

Exchange rate trends, 2013-2018



Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. On 30 September 2018, the Group had pulp price hedges of 12,000 tonnes with due dates between October and December 2018, at an average price of SEK 7,319 per tonne, and 12,000 tonnes with due dates between January and December 2019, at an average price of

SEK 9,800 per tonne. The fair value of these unrealised price hedges totalled SEK -38m on 30 September 2018.

Electricity

All external electricity for the mills, approximately 300 GWh annually, is purchased directly via the Nord Pool electricity exchange. Electricity prices are quoted in EUR. At the end of the third quarter of 2018, the Group had price hedges as shown in the following table. The table shows the hedged proportion of estimated total consumption and the average hedged price in SEK/kWh.

Electricity price hedges as of 30 September 2018

Year	Proportion hedged	SEK/kWh
2018 Oct-Dec	85%	0.226
2019	85%	0.225
2020	85%	0.218
2021	55%	0.240

The fair value of these unrealised price hedges has increased during the year and amounted to SEK 116m on 30 September 2018, compared to SEK 31m on 31 December 2017.

The high level of hedging protects Rottneros' future electricity costs against severe price fluctuations. The average price level for electricity on the Nord Pool exchange (area SE3) was SEK 0.44 (0.30) per kWh for January-September 2018.

See pages 38-42 of the Annual Report for 2017 for further information on risks.

NOMINATION COMMITTEE BEFORE THE AGM 2019

Rottneros' Annual General Meeting (AGM) will be held on Thursday, 2 May 2019, in Sunne.

Based on the decision of the AGM 2018, the nomination committee shall consist of the Chair of the Board, who may not be the Chair of the Committee, as well as two further members, one of whom must be appointed by the Company's largest shareholder together with one appointed by any of the Company's four largest shareholders. Neither of these two members may also be a member of the board.

Julia Onstad, appointed by Arctic Paper S.A., has been appointed as Chairwoman of the Committee, and the other members are Stefan Sundh, appointed by PROAD AB, and Per Lundeen, Chairman of the Board of Rottneros AB.

According to the instruction laid down by the AGM, the Nomination Committee shall prepare and present to the AGM proposals for election of the Chairperson and other Members of the Board of Directors; Board fees divided between the chairperson, other members, and remuneration for committee work; election and remuneration of the auditor; election of a Chairperson for the AGM; and, where applicable, changes in the guidelines for Nomination Committee.

Shareholders who wish to submit comments or proposals to the Nomination Committee can do this by e-mail to info@rotnneros.com or by letter to Rottneros AB, to: Nomination Committee, Box 144, 826 23 Söderhamn, Sweden.

Such comments or proposals must be received by the Nomination Committee latest by 31 January 2019.

Shareholders who wish to have a subject considered at the AGM must submit such a proposal to the Chairman of the Board by email to info@rotnneros.com by 14 March 2019, in order for the proposal to be included in the notice convening the meeting.

SUBSEQUENT EVENTS

There were no significant events after the balance sheet date that affected the Group's financial position and results of operations.

FORTHCOMING FINANCIAL INFORMATION

7 February 2019	Year-End Bulletin 2018
24 April 2019	Interim Report, January-March
2 May 2019	Annual General Meeting in Sunne
25 July 2019	Interim Report, April-June
22 October 2019	Interim Report, July-September

For further information, please visit the Rottneros website, www.rotnneros.com.

This report has not been reviewed by the Company's auditor.

Vallvik, 24 October 2018

Lennart Eberleh
President and CEO

This information is information that Rottneros AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was submitted via the contact person below for publication on 24 October 2018 at 8 a.m. CET. This report has been drawn up in both a Swedish and an English version. The Swedish version shall prevail in the event of differences between the two reports

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CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED INCOME STATEMENT

Amounts in SEK m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017
NET TURNOVER	601	472	1,738	1,416	2,234	1,912
Change in inventories, finished goods	48	23	79	47	54	22
Other operating income	-32	7	-46	32	-31	47
Operating income, total	617	502	1,771	1,495	2,257	1,981
Raw materials and consumables	-311	-250	-903	-727	-1,141	-965
Other external expenses	-113	-121	-326	-348	-481	-503
Employee benefit expenses	-57	-65	-187	-194	-259	-266
EBITDA (operating profit before depreciation, amortisation and impairment)	136	66	355	226	376	247
Depreciation/amortisation and impairment	-25	-22	-72	-63	-100	-91
EBIT (operating profit)	111	44	283	163	276	156
Financial income	0	0	1	1	2	2
Financial expenses	-5	-3	-15	-5	-21	-11
Total financial items	-5	-3	-14	-4	-19	-9
PROFIT AFTER FINANCIAL ITEMS	106	41	269	159	257	147
Tax on profit/loss for the period	-24	-9	-57	-35	-55	-33
NET INCOME	82	32	212	124	202	114
Average number of shares (thousand) ¹	152,572	152,572	152,572	152,572	152,572	152,572
Earnings per share (SEK) ¹	0.54	0.21	1.39	0.81	1.33	0.75

¹ No share-based programmes exist that result in dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017
NET INCOME	82	32	212	124	202	114
Other comprehensive income						
Items that have been or may be transferred to profit or loss for the period						
Changes in fair value of cash flow hedges	-1	31	54	15	44	5
Income tax effect on changes in fair value	1	-7	-11	-3	-10	-2
Translation differences	0	0	1	0	1	0
TOTAL OTHER COMPREHENSIVE INCOME	0	24	44	12	35	3
COMPREHENSIVE INCOME FOR THE PERIOD ²	82	56	256	136	237	117

² The entire comprehensive income is attributable to the parent company's shareholders.

CONSOLIDATED BALANCE SHEET, SUMMARY

Amounts in SEK m	30 Sep 2018	30 Sep 2017	31 Dec 2017
Intangible non-current assets	16	16	19
Property, plant and equipment	1,117	962	1,020
Financial assets	84	37	39
Total non-current assets	1,217	1,015	1,078
Inventories	385	315	279
Current receivables	496	358	324
Cash and cash equivalents	257	340	326
Total current assets	1,138	1,013	929
TOTAL ASSETS	2,355	2,028	2,007
Shareholders' equity	1,407	1,226	1,207
Long-term liabilities			
Interest-bearing liabilities	395	394	394
Deferred tax liabilities	110	47	42
Other non-interest-bearing liabilities	17	9	10
Total long-term liabilities	522	450	446
Current liabilities			
Non-interest-bearing liabilities	426	352	354
Total current liabilities	426	352	354
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,355	2,028	2,007

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, SUMMARY

Amounts in SEK m	Share capital	Other contributed capital	Treasury shares	Other reserves		Retained earnings, incl. profit for the year	Total shareholders' equity
				Hedging reserve	Translation difference		
Opening balance, 1 January 2017	153	730	-69	15	-8	330	1,151
Net income, Jan-Sep						124	124
Other comprehensive income, Jan-Sep				12	0		12
Total comprehensive income for Jan-Sep				12	0	124	136
Dividends to shareholders, Jan-Sep						-61	-61
Closing balance, 30 September 2017	153	730	-69	27	-8	393	1,226
Net income, Oct-Dec						-10	-10
Other comprehensive income, Oct-Dec				-9	0		-9
Total comprehensive income for Oct-Dec				-9	0	-10	-19
Closing balance, 31 December 2017	153	730	-69	18	-8	383	1,207
Net income, Jan-Sep						212	212
Other comprehensive income, Jan-Sep				43	1		44
Total comprehensive income for Jan-Sep				43	1	212	256
Dividends to shareholders, Jan-Sep						-56	-56
Closing balance, 30 September 2018	153	730	-69	61	-7	539	1,407

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK m	Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017
EBIT	283	163	276	156
Adjustment for non-cash flow items				
Depreciation/amortisation and impairment	72	63	100	91
EBIT adjusted for non-cash flow affecting items	355	226	376	247
Received/paid financial items	-12	-8	-20	-16
Cash flow from operating activities before changes in working capital	343	218	356	231
Change in working capital	-163	-70	-102	-9
Cash flow from operating activities	180	148	254	222
Investments in non-current assets	-166	-149	-254	-237
Change in current loans receivable	-27	-	-27	-
Cash used in investing activities	-193	-149	-281	-237
Borrowings of long-term loans	-	480	-	480
Amortisation of long-term loans	-	-80	-	-80
Change in used bank overdraft facilities	-	-14	-	-14
Dividends paid	-56	-61	-56	-61
Cash provided by/used in financing activities	-56	325	-56	325
Net cash flow for the period	-69	324	-83	310
Cash and cash equivalents at start of period	326	16	340	16
Net cash flow for the period	-69	324	-83	310
Cash and cash equivalents at end of period	257	340	257	326

CHANGES IN INTEREST-BEARING LIABILITIES

Amounts in SEK m	Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017
Interest-bearing liabilities in the balance sheet at the start of the period	394	14	394	14
Changes included in the cash flow from financing activities:				
Long-term loans taken out from banks	-	80	-	80
Bond issue	-	400	-	400
Amortisation of long-term loans from banks	-	-80	-	-80
Change in used bank overdraft facilities	-	-14	-	-14
Total	-	386	-	386
Other changes:				
Direct costs in connection with the bond issue that are charged to expense over the loan period and included in the cash flow from operating activities	-	-7	-	-7
Direct costs charged to expense	1	1	1	1
Interest-bearing liabilities in the balance sheet at the end of the period	395	394	395	394

PARENT COMPANY STATEMENTS OF INCOME

PARENT COMPANY INCOME STATEMENT

Amounts in SEK m	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
NET TURNOVER	5	4	6
Other operating income	7	8	10
Operating income, total	12	12	16
Other expenses	-12	-12	-18
Employee benefit expenses	-13	-18	-31
EBITDA (operating loss before depreciation, amortisation and impairment)	-13	-18	-33
Depreciation/amortisation and impairment	-3	0	0
EBIT (operating loss)	-16	-18	-33
Profit from participations in Group companies	0	0	28
Financial income	0	0	1
Financial expenses	-12	-2	-7
Total financial items	-12	-2	22
LOSS AFTER FINANCIAL ITEMS	-28	-20	-11
Tax on loss for the period	6	4	2
NET INCOME	-22	-16	-9

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
NET INCOME	-22	-16	-9
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-22	-16	-9

PARENT COMPANY BALANCE SHEET, SUMMARY

Amounts in SEK m	30 Sep 2018	30 Sep 2017	31 Dec 2017
Intangible non-current assets	14	14	17
Equipment	1	0	0
Financial assets	290	285	286
Total non-current assets	305	299	303
Current receivables ¹	900	859	889
Cash and cash equivalents	243	328	311
Total current assets	1,143	1,187	1,200
TOTAL ASSETS	1,448	1,486	1,503
Shareholders' equity	892	961	970
Long-term liabilities			
Interest-bearing	395	394	394
Non-interest-bearing	17	8	10
Total long-term liabilities	412	402	404
Current liabilities			
Non-interest-bearing ²	144	123	129
Total current liabilities	144	123	129
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,448	1,486	1,503

¹ Including receivables of SEK 865m (859) from subsidiaries.

² Including liabilities of SEK 115m (113) to subsidiaries.

SUPPLEMENTARY DISCLOSURES AND NOTES, SUMMARY

ACCOUNTING POLICIES

This report has been prepared in accordance with IAS 34 'Interim Financial Reporting', which complies with Swedish law through the application of the Swedish Financial Reporting Board's Recommendation RFR 1 'Supplementary Accounting Rules for Groups' together with RFR 2 'Accounting for Legal Entities', in respect of the parent company.

The accounting policies, definitions of key ratios and calculation methods are the same as those used in the last annual report.

Unless otherwise stated, all amounts in this report are in SEK million. Rounding-off differences may occur.

IFRS 9, Financial Instruments

IFRS 9 Financial Instruments entered into force on 1 January 2018 and replaces IAS 39 Financial Instruments: Recognition and Measurement. Various parts of the new standard have been revised, with one part relating to the recognition and measurement of financial assets and financial liabilities. The new standard does not have any significant impact on the Group.

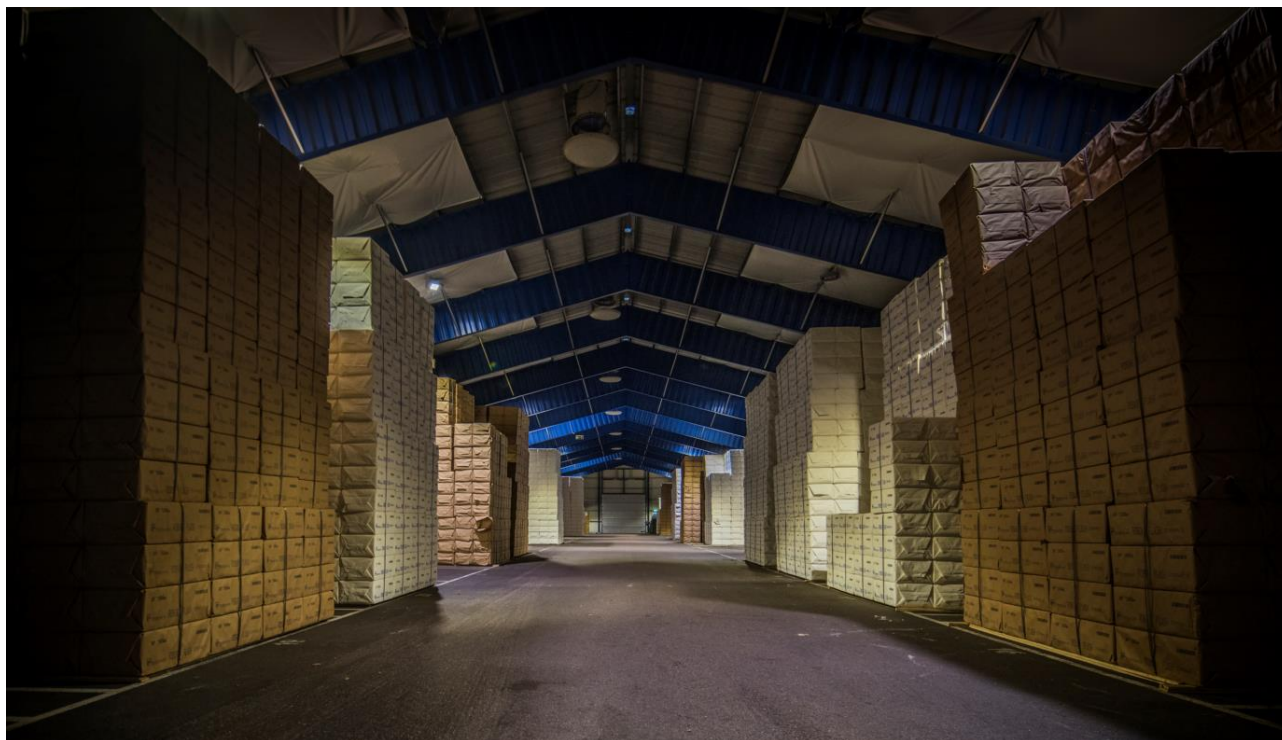
IFRS 15, Revenue from Contracts with Customers

IFRS 15 entered into force on 1 January 2018. The standard replaces all previously issued standards and interpretations addressing income. IFRS 15 contains a comprehensive revenue recognition model for all contracts with customers. The new standard does not have any significant impact on the Group.

Rottneros derives its revenue mainly from sales of a standard product (paper pulp) to its customers. For each sales transaction there is only one performance obligation: delivery of the product in accordance with the terms of the sale. Revenue is recognised at a specific point in time when control of the product is transferred to the customer. Sales price or a price list is included in the customer contract. Credit terms used in the customer contracts are customary in the pulp market.

IFRS 16, Leases

IFRS 16 will enter into force on 1 January 2019 and will replace IAS 17 Leases. Under the new standard, the majority of leased assets will be reported in the balance sheet. According to an evaluation that management has completed, the new standard will not have any significant impact on the Group.



FINANCIAL INSTRUMENTS

FAIR VALUE FOR DERIVATIVES, 30 SEPTEMBER 2018

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Currency EUR, forward sell	EUR 2.5m	Oct-Nov 2018	10.46 SEK/EUR	0
Currency USD, forward sell	USD 14.0m	Oct-Nov 2018	8.92 SEK/USD	1
Pulp, forward sell	24,000 tonnes	2018-2019	8,559 SEK/ton	-38
Electricity, forward buy	767,760 MWh	2018-2021	0.226 SEK/kWh	116
Total fair value				79

FAIR VALUE FOR DERIVATIVES, 31 DECEMBER 2017

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Currency EUR, forward sell	EUR 2.0m	Jan 2018	9.88 SEK/EUR	0
Currency USD, forward sell	USD 9.8m	Jan-Feb 2018	8.36 SEK/USD	1
Pulp, forward sell	42,000 tonnes	Jan-Dec 2018	7,293 SEK/tonne	-8
Electricity, forward buy	950,520 MWh	2018-2021	0.225 SEK/kWh	31
Total fair value				24

The valuation is based on directly observable price quotations on the reporting date that are classified at level 2 in the fair value hierarchy described in IFRS 13.

The full fair value of a derivative instrument that constitutes a hedging instrument is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item exceeds twelve months, and as a current asset or current liability if the remaining maturity of the hedged item is less than twelve months. The ineffective portion that is reported in the income statement amounted to SEK 0 (0) million with respect to cash flow hedges during the reporting period. The maximum exposure for credit risk on the reporting date is the fair value of the derivative instruments recognised as assets in the balance sheet.

In August 2017, Rottneros AB issued an unsecured bond of SEK 400 million with a term of 5 year. The loan bears variable interest of STIBOR 3m + 4.15 per cent and must be repaid in September 2022. Direct costs in connection with the issue amounted to approximately SEK 7 million and will be reported as interest costs over the bond period. The bond, which has a framework amount of SEK 600 million, is listed on Nasdaq Stockholm. The bond terms contain standard covenants in the form of net debt to EBITDA of a maximum of 3.5, minimum equity/assets ratio of 50%, and a maximum dividend of 50% of the previous year's net income. These covenants were fulfilled on the balance sheet day. The fair value of the bond was assessed to be SEK 410 million on balance sheet day.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2017. The carrying amounts are deemed to be equal to fair values, which was also the case at the end of 2017, since the effect of discounting is not of material significance. Accounts receivable are covered by credit insurance, which reimburses most of any bad debt losses. The Company has long-term relationships with its customers and credit losses have historically been low.



GROUP PERFORMANCE IN SUMMARY

	Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017	2016	2015	2014	2013
Income statement (SEK m)								
Net turnover	1,738	1,416	2,234	1,912	1,730	1,795	1,547	1,389
EBITDA	355	226	376	247	221	321	177	-11
Depreciation/amortisation and impairment	-72	-63	-100	-91	-51	-58	-59	-142
EBIT	283	163	276	156	170	263	118	-154
Financial items (net financial items)	-14	-4	-19	-9	-7	-4	-4	-4
Profit/loss after financial items	269	159	257	147	163	259	114	-158
Net income	212	124	202	114	128	223	133	-158
Cash flow statement (SEK m)								
Cash flow from operating activities	180	148	254	222	187	335	104	62
Investments in non-current assets	-166	-149	-254	-237	-278	-103	-59	-37
Cash flow after investments	14	-1	0	-15	-91	232	45	25
Cash used in/provided by financing activities	-56	325	-56	325	-62	-152	-30	-18
Net cash flow	-69	324	-83	310	-153	80	54	9
Balance sheet items (SEK m)								
Non-current assets	1,217	1,015	1,217	1,078	905	706	691	706
Inventories	385	315	385	279	278	267	255	246
Current receivables	496	358	496	324	290	244	226	175
Cash and cash equivalents	257	340	257	326	16	169	89	35
Net debt (+) / net cash (-)	138	54	138	68	-2	-169	-59	25
Shareholders' equity	1,407	1,226	1,407	1,207	1,151	1,058	975	825
Long-term interest-bearing liabilities	395	394	395	394	-	-	30	0
Long-term non-interest-bearing liabilities	127	56	127	52	14	18	9	13
Current interest-bearing liabilities	-	-	-	-	14	-	0	60
Current non-interest-bearing liabilities	426	352	426	354	310	310	247	264
Capital employed	1,545	1,280	1,545	1,275	1,149	889	916	849
Total shareholders' equity and liabilities	2,355	2,028	2,355	2,007	1,489	1,386	1,261	1,161
Key ratios								
EBITDA margin, %	20.4	16.0	16.8	12.9	12.8	17.9	11.4	-0.8
EBIT margin, %	16.3	11.5	12.4	8.2	9.8	14.7	7.6	-11.1
Return on shareholders' equity (rolling 12 months), %	15.3	10.0	15.3	9.7	11.6	21.9	13.6	Neg
Return on capital employed (rolling 12 months), %	19.5	13.6	19.5	12.9	16.7	29.1	13.4	Neg
Equity/assets ratio, %	60	60	60	60	77	76	77	71
Debt/equity ratio, %	10	4	10	6	0	-16	-6	3
Other								
Average no. of employees	306	295	305	301	282	264	251	256
Pulp production, 1,000 tonnes	300.0	306.8	394.4	401.2	374.1	373.3	345.0	333.4
Pulp deliveries, 1,000 tonnes	288.2	295.8	388.3	395.9	374.1	372.2	344.2	332.1
List price of NBSK pulp, USD per tonne ¹	1,148	857	1,100	882	802	857	925	857
SEK/USD ²	8.58	8.61	8.51	8.54	8.56	8.44	6.86	6.51
List price of NBSK pulp, SEK per tonne	9,850	7,384	9,363	7,530	6,867	7,228	6,345	5,582

¹ Source: Market listing of gross prices once a week. Average for each period.

² Source: Riksbanken's daily quotations. Average for each period.

QUARTERLY DATA, GROUP

	2018			2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement (SEK m)											
Net turnover	601	596	541	496	472	472	472	441	444	413	432
EBITDA	136	118	101	21	66	83	77	1	61	73	86
Depreciation/amortisation and impairment	-25	-24	-23	-28	-22	-21	-20	-5	-15	-16	-15
EBIT	111	94	78	-7	44	62	57	-4	46	57	71
Financial items (net financial items)	-5	-4	-5	-5	-3	0	-1	-3	-1	-1	-2
Profit/loss after financial items	106	90	73	-12	41	62	56	-7	45	56	69
Tax on profit/loss for the period	-24	-17	-16	2	-9	-13	-13	1	-11	-10	-15
Net income	82	73	57	-10	32	49	43	-6	34	46	54
Per share											
Earnings per share, SEK	0.54	0.48	0.37	-0.06	0.21	0.32	0.28	-0.04	0.23	0.30	0.35
Other											
Pulp production, 1,000 tonnes	100.0	100.1	99.9	94.4	102.5	101.4	102.9	87.1	91.9	100.0	95.1
Pulp deliveries, 1,000 tonnes	92.5	97.5	98.2	100.1	95.7	98.9	101.2	92.8	95.6	92.8	92.9
List price of NBSK pulp, SEK per tonne	10,983	10,047	8,584	7,949	7,279	7,572	7,290	7,313	6,912	6,541	6,699

SHARE DATA ¹

		Jan-Sep 2018	Jan-Sep 2017	Rolling 12 months	Full year 2017	2016	2015	2014	2013
Shares outstanding, opening ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Shares outstanding, closing ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Average number of shares outstanding ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Treasury shares ²	Number	822	822	822	822	822	822	822	822
Earnings per share	SEK	1.39	0.81	1.33	0.75	0.84	1.46	0.87	-1.04
Cash flow after investments/share ³	SEK	0.09	-0.01	0.00	-0.10	-0.60	1.52	0.29	0.16
Equity per share	SEK	9.22	8.04	9.22	7.91	7.54	6.93	6.39	5.41
Dividend									
Ordinary dividend	SEK	-	-	0.30	0.30	0.30	0.30	0.20	-
Extra dividend	SEK	-	-	0.07	0.07	0.10	0.20	0.60	-
Total	SEK	-	-	0.37	0.37	0.40	0.50	0.80	-
Dividend/equity per share	%	-	-	4.0	4.7	5.3	7.2	12.5	-
Share price at end of period	SEK	11.24	6.65	11.24	7.15	8.05	8.15	3.74	1.99
Market price/equity/share	times	1.2	0.8	1.2	0.9	1.1	1.2	0.6	0.4
P/E ratio per share	times	8.5	8.6	8.5	9.5	9.6	5.6	4.3	Neg
Direct yield ⁴	%	-	-	3.3	5.2	5.0	6.1	21.4	-

¹ None of the key ratios are affected by any dilution effect.

² The number of shares is in thousands and excluding Rottneros' treasury shares.

³ Cash flow from operating activities less investments in non-current assets, divided by the average number of shares outstanding.

⁴ Direct yield is calculated in proportion to the share price at end of period.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APM) are financial measures that are not defined in IFRS and are presented outside the financial statements. Rottneros uses the following APMs: Cash flow after investments, Net debt/net cash, Capital employed, Return on capital employed, Return on equity, Equity/assets ratio and Debt/equity ratio. The Company believes that these key ratios are useful for readers of the financial statements as a complement to other key performance indicators to assess the Rottneros Group's financial position and profitability. Rottneros also uses the key indicators P/E ratio and Direct yield, which the Company believes are relevant for investors and other readers. APMs can be defined in different ways by other companies and therefore may not be comparable with similar measures used by other companies.

DEFINITIONS OF IFRS KEY RATIOS AND APM

EBITDA

Earnings before depreciation/amortisation and impairment, financial items and income taxes (operating profit before depreciation, amortisation and impairment).

EBIT

Earnings before financial items and income taxes (operating profit).

EBIT margin

EBIT as a percentage of net turnover.

Profit margin

Profit after financial items as a percentage of net turnover.

Earnings per share

Net income divided by the average number of shares outstanding.

Shareholders' equity per share

Shareholders' equity divided by number of shares.

Cash flow after investments

Cash flow from operating activities less investments in non-current assets.

Net debt/net cash

Interest-bearing liabilities minus cash and cash equivalents.

Capital employed

Shareholders' equity plus interest-bearing liabilities minus cash and cash equivalents.

Return on capital employed (rolling 12 months)

EBIT for the past 12 months, as a percentage of average capital employed (average of capital employed at the beginning of the period and at the end of the period).

Return on shareholders' equity (rolling 12 months)

Net income for the past 12 months, as a percentage of average shareholders' equity (average of shareholders' equity at the beginning of the period and at the end of the period).

Equity/assets ratio

Equity as a percentage of the sum of shareholders' equity and liabilities.

Debt/equity ratio

Net debt/cash as a percentage of shareholders' equity.

P/E ratio

Share price at the end of the period in relation to earnings per share (rolling 12 months).

Direct yield

Dividend as a percentage of the share price at the end of the period.

GLOSSARY

Market pulp	Pulp sold on the market and transported to the customer. Market pulp accounts for about one third of pulp production worldwide. The remaining two thirds are produced at integrated paper and board mills, or used internally within a group.	Short-fibre pulp	Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.
BCTMP	Bleached Chemi-Thermo-Mechanical Pulp: bleached mechanical pulp where the raw material is impregnated with chemicals. Stronger than TMP. The term is common in North America and Asia (see CTMP).	Long-fibre pulp	Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.
BEK	Bleached Eucalyptus Kraft pulp.	Mechanical pulp	Pulp produced using a mechanical process for fibre separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. Groundwood pulp, TMP and CTMP/BCTMP are types of mechanical pulp.
CTMP	Chemi-Thermo-Mechanical Pulp. Development of TMP, where the mechanical pulp is impregnated with chemicals. Stronger than TMP. The term is used in Europe for both bleached and unbleached pulp.	NBSK	Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
ECF	Elemental Chlorine Free. Sulphate pulp bleached using chlorine dioxide, not chlorine.	Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
High-yield pulp	Groundwood pulp, TMP and CTMP/BCTMP.	TMP	Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam, but without chemicals.
Chemical pulp	Paper pulp produced by boiling raw timber with chemicals. The pulp can be bleached to a higher brightness and a higher strength than mechanical pulp. Chemical pulp is usually sulphate pulp, but can also be sulphite pulp.	UKP	Unbleached Kraft Pulp, unbleached sulphate pulp.

WITH COMPETENT COLLEAGUES WE CREATE THE FUNDAMENT TO REACH OUR OBJECTIVES IN PRODUCTION, PRODUCTIVITY AND SAFETY.

Andreas Sjöqvist (left) and his mentor Krister Tuohimaa. Andreas is training to become an operator at the boiling process at the Vallvik Mill and he thinks it has been very educational to be part of the planned maintenance shutdown.



Pulp production is a complex process and requires qualified specialist competence. Our extensive investments in new technology and increased production capacity has in combination with a generational change enhanced the need to recruit people with high competence.

To secure the adequate supply of competence Rottneros is pursuing the following activities;

- An apprentice program
- Trainee program
- Increase the interest for the pulp industry

Apprentice program

The operator is key in safety and that operations run without any unplanned stops. To become an operator you have to mix theory with hands-on knowledge. The apprentice trainings are connected to respective plant and to Rottneros Packaging. The training is developed in cooperation with the plants' home-municipalities and is targeting people with upper secondary school education that are interested in a career in the process industry.

About 70 per cent of the education is done at the workplace and Rottneros is part of developing the program to make sure there is a match with the competence need of Rottneros. For the hands-on training the apprentice works in parallel with an experienced operator at the plant to get best possible support. The program started in September at Rottneros Mill and

for Rottneros Packaging. It was especially encouraging for the group's work on equal opportunities that out of five apprentices no less than four women were accepted to the program.

In the Vallvik Mill two groups have already completed the one-year education and of the ten participants all accepted employment.

Trainee program for engineers

Rottneros Mill has this fall joined a trainee program that is managed by the Chamber of commerce of the county of Värmland. For the Vallvik Mill a similar program will start in the beginning of 2019 together with the Chamber of commerce in Middle Sweden. The participants will get the opportunity to learn different aspects of the plant operations and get a good start in their careers in the process industry.

Increased interest for the industry

We believe that we as a company can do a lot to increase the interest among young people to be attracted to the pulp industry. In the Vallvik Mill we have during 2018 participated in a project to show the industry for young people. For five days we hosted students from ninth grade who are good and interested in mathematics and natural sciences. We have had the opportunity to show all parts of our business and the students have gotten own tasks to fulfil. In Rottneros Mill we are active with "girls' nights" at the secondary school, to attract even more women to the industry. At the upper secondary school level we are in the advisory board for the "Industry program" to contribute with our needs.



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