

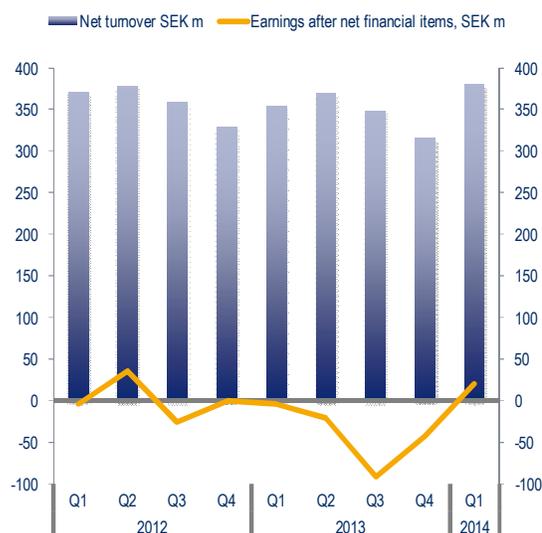
ROTTNEROS

INTERIM REPORT JANUARY TO MARCH 2014

Period in review

	Jan-Mar 2014	Oct-Dec 2013	change	Jan-Mar 2013	change
Net turnover, SEK m	380	317	63	354	26
Operating Income, SEK m	21	-42	64	-6	27
<i>including items affecting comparability</i>	21	-42	64	-6	27
Income after net financial items, SEK m	20	-43	63	-4	24
Profit/loss after tax, SEK m	16	-43	59	-4	20
Earnings per share after tax, SEK	0.10	-0.28	0.38	-0.03	0.13
<i>including items affecting comparability</i>	0.10	-0.28	0.38	-0.03	0.13
Cash flow before investments, SEK m	9	2	7	21	-12

- Profit after net financial items amounted to SEK 20 million for the first quarter of 2014, compared with losses of SEK -43 million for the fourth quarter of 2013 and SEK -4 million for the first quarter of 2013.
- The average PIX price for NBSK amounted to USD 916 for the first quarter of 2014. The price increase in Swedish kronor is twelve per cent compared with the same period of 2013. The price increase is two per cent compared with the previous quarter and was affected negatively by the weak dollar.
- Stable production at Vallviks Bruk during the first quarter resulted in lower direct costs, which had a positive impact on the result.
- Cash flow from operating activities amounted to SEK 9 (21) million for the first quarter of 2014. Net borrowing amounted to SEK -25 (-33) million on 31 March.



CEO'S STATEMENT

It is both gratifying and inspiring to report an improvement in our results for the first quarter. Our operating profit increased by SEK 27 million, to SEK 21 million, compared with the same quarter of last year. This improvement was primarily driven by higher pulp prices, although it was also helped by lower variable costs attributable to better production stability at Vallviks Bruk.

The extensive programme of change that we initiated in the autumn of 2013 is continuing on track and on time. The objective of these changes is to strengthen our competitiveness and assure our long-term profitability. The first phase of this programme (Focus 15) will be completed by January 2015. Focus 15 is primarily targeted at improving operational efficiency and boosting production volumes. We expect to see the impact of Focus15 even more clearly towards the end of the year when the measures we have implemented will start to bear fruit in the form of among other things increased volumes, mainly at Vallviks Bruk. We are focusing on establishing clear routines and areas of responsibility where safety continues to represent a common theme within all of our activities. We are also making greater efforts to provide clear leadership and will reinforce our common set of core values.

The market has developed strongly during the first quarter, with continuing increase of demand for chemical pulp. The CTMP market also strengthened and demonstrated good balance during the quarter, with a price rise that was primarily driven by growing demand in Asia.

I rejoice at the positive and open attitude I meet in many parts of the organisation, which represents a basic precondition for bringing about change. I am firmly convinced that our intensive work will provide us with the availability and productivity and, not least, also establish the culture required for our long-term profitability.

Carl-Johan Jonsson

THE PULP MARKET

MARKETS AND PRODUCTS

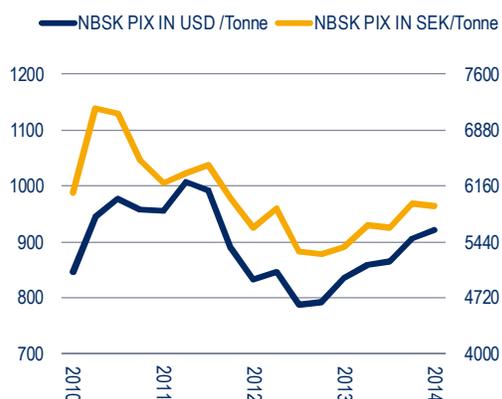
Pulp market internationally

Demand for paper pulp intensified during the first quarter of 2014 and improvements to the PIX price continue, although at a slower pace compared with the fourth quarter of 2013. The price of NSBK PIX increased during the first quarter, from USD 906 per tonne at the beginning of the year to USD 922 per tonne on 31 March 2014.

The PIX price for bleached long-fibre sulphate pulp was USD 136 per tonne higher than short-fibre sulphate pulp at the beginning of 2014. The price difference continued to grow to approximately USD 160 per tonne during the first quarter of 2014. The price difference between these paper pulps is now historically high.

The NBSK market demonstrates a good balance between capacity and demand. Producer stock levels are normal, corresponding to 29 days' production, two days more than at the beginning of the year. There are few announcements about price increases for April, but the producers are working to fully implement the price increase announced in March and also to raise the companies' net prices.

A good balance also prevails in the CTMP market. Several price increases have been implemented since the autumn of 2013 and continued during the first quarter of 2014, although these have been at a slower pace than for NBSK. This resulted in prices at the end of the first quarter lying around USD 620 to 640 per tonne.



PRODUCTION AND DELIVERIES

The Group's pulp mills at Rottneros Bruk and Vallviks Bruk have a combined annual production capacity of approximately 400,000 tonnes. Production amounted to 85,000 (88,100) tonnes for January to March 2014. Rottneros Bruk's production of groundwood pulp represents the most significant deviation. This reduced when the mill produced groundwood pulp to build up stock for customers during the first quarter of the previous year prior to the planned closure of the groundwood line, which subsequently was not implemented.

Deliveries amounted to 87,200 (85,500) tonnes during the first quarter of 2014. Vallviks Bruk's deliveries of sulphate pulp have increased by 4,000 tonnes compared with the same period of the previous year. Deliveries of CTMP also increased during the first quarter of 2014. Deliveries of groundwood pulp were higher during the first quarter of 2013 owing to stock being built up at customers prior to the planned shutdown of the groundwood pulp line.

Production (tonnes)

	Jan-Mar 2014	Oct-Dec 2013	Jan-Mar 2013
Sulphate pulp	52,300	48,200	52,200
Groundwood pulp	12,700	10,600	17,100
CTMP	20,000	20,100	18,800
TOTAL	85,000	78,900	88,100

Deliveries (tonnes)

	Jan-Mar 2014	Oct-Dec 2013	Jan-Mar 2013
Sulphate pulp	55,600	44,600	51,600
Groundwood pulp	11,600	9,300	15,500
CTMP	20,000	22,300	18,400
TOTAL	87,200	76,200	85,500

Maintenance shutdowns and seasonal variations

A holiday shutdown is normally held at the mill in Rottneros in July and August, which is combined with annual maintenance work. A maintenance shutdown will take place at Vallviks Bruk during the fourth quarter. Costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

INVOICING AND RESULTS

January to March 2014 compared with January to March 2013

Deviation analysis

	Jan-Mar 2014	Jan-Mar 2013
NBSK PIX	916	823
SEK/USD	6.46	6.43
NBSK SEK	5,919	5,295
OPERATING INCOME	21	-6
Price	24	
Currency	2	
Volume	-3	
Variable costs	9	
Hedging activities realised	-4	
Other	-1	
TOTAL	27	

The average price of long-fibre sulphate pulp (NBSK) in USD increased by eleven per cent, from USD 823 to USD 916, while the average price of NBSK pulp converted into SEK increased from SEK 5,295 to 5,919 per tonne, an increase of twelve per cent due to the development of a slightly higher dollar. Group net turnover amounted to SEK 380 (354) million for January to March 2014, an increase of seven per cent. The deviation in relation to the price increase is largely explained by lower timber sales to external customers in our Latvian company.

More stable production at Vallviks Bruk during the quarter resulted in lower direct costs. The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.27 (0.35) per kWh for the period January to March 2014 and had a positive impact on variable costs.

- Group operating profit amounted to SEK 21 (-6) million for the first quarter of 2014. The outcome of hedging activities realised for currency and pulp during the first quarter of 2014 amounted to SEK 0 (4) million.
- Group profit after net financial items amounted to SEK 20 (-4) million and includes net financial items of SEK -1 (2) million.
- Profit after tax amounted to SEK 16 (-4) million.
- Earnings per share after tax amounted to SEK 0.10 (-0.03).
- Cash flow per share amounted to SEK -0.07 (0.09).

January to March 2014 compared with October to December 2013

Deviation analysis

	Jan-Mar 2014	Oct-Dec 2013
NBSK PIX	916	894
SEK/USD	6.46	6.51
NBSK SEK	5,919	5,821
OPERATING INCOME	21	-42
Price	12	
Currency	-3	
Volume	8	
Variable costs	4	
Hedging activities realised	-2	
Other ¹	44	
TOTAL	63	

¹ Including deviation of approx. SEK 30 Million related to the maintenance shutdown.

Group net turnover amounted to SEK 380 million for the first quarter of 2014 compared with SEK 317 million for the fourth quarter of 2013. The average price of long-fibre sulphate pulp (NBSK) in USD increased from USD 894 to USD 916, an increase of two per cent. The weak dollar had a negative impact on the average prices for NBSK converted into SEK and produced an increase of just under two per cent.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.27 per kWh for the first quarter of 2014, compared with SEK 0.33 per kWh for the fourth quarter of 2013.

- Group operating profit amounted to SEK 21 (-42) million for the first quarter of 2014. The annual maintenance shutdown at Vallviks Bruk had a negative impact of SEK 30 million on the result for the fourth quarter of 2013. The outcome of hedging activities realised for currency and pulp for the first quarter of 2014 amounted to SEK 0 (2) million.

- Group profit after net financial items amounted to SEK 20 million for the first quarter of 2014, compared with a loss of SEK -43 million for the fourth quarter of 2013.

INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 10 (2) million for January to March 2014.
- The Group had liquid funds amounting to SEK 25 million at the end of March 2014, compared with SEK 35 million at the end of December 2013.
- The Group had total interest-bearing liabilities of SEK 50 million on 31 March 2014 (SEK 72 million on 31 March 2013). Interest-bearing net liabilities amounted to SEK 25 (33) million.
- Approved but unutilised credit facilities amounted to SEK 100 million in total at the end of the year and total approved credit facilities amounted to SEK 150 million.
- The equity/assets ratio amounted to 73 (74) per cent as of 31 March 2014.
- Equity per share amounted to SEK 5.49 (SEK 6.46 on 31 March 2013).

CASH FLOW

- Cash flow from operating activities before investments amounted to SEK 9 (21) million for January to March 2014 and included cash flow of SEK -1 (6) million from financial hedging. The increase in working capital had a negative impact on cash flow of SEK 24 million.
- Cash flow after investments amounted to SEK -1 (19) million for January to March 2014.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 252 (266) for January to March 2014.

TAX

Deferred tax assets amounted to SEK 43 million on 31 March 2014. The utilisation of previously capitalised loss carry-forwards affected this amount by SEK 4 million. Recorded deferred tax assets correspond to unutilised loss carry-forwards of SEK 195 million. There were also tax loss carry-forwards of SEK 174 million, for which deferred tax assets have not been recorded.

PARENT COMPANY

The parent company's loss after net financial items amounted to SEK -12 (-2) million for January to March 2014. The result after net financial items includes hedging activities realised of SEK -5 (4) million.

SHARE INFORMATION

Number of shares

	31 of March 2014
Registered number of shares	153,393,890
- of which treasury shares	821,965

Largest shareholders 31 of march 2014

Shareholder	Number of shares (=votes)	Percentage of capital
Arctic Paper SA	78,230,883	51
Peter Gyllenhammar genom bolag	17,487,238	11
Robur Försäkring	7,620,998	5
Clearstream Banking S.A., W8IMY	5,600,280	4
Åkesson, Morgan	2,400,000	2
BBVA Ireland P.L.C	2,323,139	2
Försäkrings AB Skandia	1,573,840	1
Försäkringsaktiebolaget, Avanza Pension	1,549,714	1
Larsson Bo	1,489,104	1
Sten Malmer Holding AB	1,309,452	1
Total holdings of 10 largest shareholders	119,584,648	78
Rottneros AB (treasury stock from buy-back)	821,965	1
Other shareholders	32,987,277	22
TOTAL	153,393 890	100

Treasury shares

The number of shares in Rottneros amounts to 153,393,890. Rottneros' holding of treasury shares amounts to 821,965 shares.

Transactions with related parties

Rottneros sold pulp to the Arctic Paper S.A. Group (a related party), amounting to SEK 25 (36) million. Outstanding receivables from Arctic Paper amounted to SEK 9 million on 31 March. Transactions were conducted on normal market conditions but with a lower level of credit insurance, primarily owing to the group relationship between Arctic Paper and Rottneros.

Dividend

The general meeting will make a decision on dividends for the company at the annual general meeting of Rottneros to be held on 25 April 2014. The Board of Directors proposed that no dividend be declared for the financial year 2013.

RISK MANAGEMENT

The company's operational work involves 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 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, timber and electricity.

The scope and nature of financial assets and liabilities are in all essential respects the same as at 31 December 2013. The carrying amounts are the same as actual values, which was also the case at the end of 2013.

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the main underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus very high, and the direct inflow of USD (the real flow) corresponds to approximately 60% and approximately 20% in EUR. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a contract is between one and three months.

The average USD exchange rate was 0.5 per cent higher for January to March, amounting to an average of SEK 6.46/USD for the period compared with SEK 6.43/USD for January to March 2013. The impact on revenue of a higher average rate amounted to SEK 2 million compared with the first quarter of 2013.

In addition to this, currencies were hedged in the form of forward contracts concluded for EUR 9 million, at an average rate of SEK 9.16/EUR, for electricity purchases for the period 2014 to 2016.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. Contracts for 2014 were concluded at the beginning of the year for 2,000 tonnes per month at a price of SEK 5,720 per tonne for the period April to December. Nothing was realised during the first quarter.

Profit/loss after financial items

Group	2014		2013			Full year
	I	IV	III	II	I	
Profit/loss after financial items	20	-43	-91	-20	-4	-158
Whereof:						
Currency hedges	-	3	-1	-2	2	2
Pulp price hedges	-	-	-	-	3	3
Electricity hedges	-5	-3	-3	-2	-1	-9
Total hedges	-5	0	-4	-4	4	-4
Green electricity	1	1	1	1	1	4

Electricity

All physical electricity for the Swedish mills is purchased directly via the Nord Pool electricity exchange. Electricity prices are listed in EUR. The

amount of electricity hedged at the end of March 2014 corresponded to the proportion of forecast consumption shown in the table. The table shows average prices in EUR/MWh, together with average prices in SEK/kWh.

Electricity Hedging at 31 of march 2014

Year	Part hedged	SEK/kWh
2014	62%	43.4
2015	48%	40.6
2016	26%	33.3

The average price level for electricity on Nord Pool amounted to SEK 0.27 (0.35) per kWh for January to March 2014.

See pages 25 to 29 of the Annual Report for 2013 for further information on risks.

Market value (SEK million) march 2014

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 31 Mar 2014
Currency EUR, forward sell	EUR 1 m	8.84 SEK/EUR	0	9.02 SEK/EUR
Currency EUR, forward buy	EUR 9 m	9.16 SEK/EUR	-2	8.99 SEK/EUR
Pulp price, SEK	18,000 tonnes	5.720 SEK (PIX)	-5	5,981 SEK (PIX)
Electricity	339,449 MWh	0.39 SEK /kWh	-27	0.29 SEK/kWh
Total market value			-34	

Market value (SEK million) march 2013

hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 31 Mar 2014
Currency USD, forward sell	USD 15 m	6.46 SEK/USD	-1	6.52 SEK/USD
Currency EUR, forward buy	EUR 13 m	9.18 SEK/EUR	-9	8.34 SEK/EUR
Pulp price, SEK	12,000 tonnes	5,700 SEK (PIX)	3	5,454 SEK (PIX)
Electricity	300,615 MWh	0.41 SEK /kWh	-14	0.36 SEK/kWh
Total market value			-21	

The table above shows the market values of all hedging. The value refers to the liquidation value; i.e. a valuation is made in accordance with forward contracts on 31 March 2014. The reference value refers to the spot rate on 31 March and is provided as supplementary information. As a result of the application of IFRS/IAS, these market values are reflected in the balance sheet and in some cases in the income statement, but are also shown here as supplementary information.

ACCOUNTING POLICIES

This interim 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.

FORTHCOMING FINANCIAL INFORMATION

23 July 2014 Interim Report, January-June 2014
24 October 2014 Interim Report, January-September 2014

For more information, please visit Rottneros' updated website, www.rottneros.com.

Stockholm, 25 April 2014

Carl-Johan Jonsson
President and CEO

This report has not been reviewed by the company's auditors.

Rottneros discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication on 25 April 2014 at 08.30. A Swedish and an English version of this report have been drawn up. The Swedish version shall prevail in the event of differences between the two reports.

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DEFINITIONS OF KEY RATIOS

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

Interest-bearing net assets/liabilities

Liquid assets minus interest-bearing liabilities.

Debt/equity ratio

Interest-bearing net assets/liabilities divided by shareholders' equity.

Operating margin

Operating profit after depreciation as a percentage of net turnover for the period.

Profit margin

Profit after net financial items as a percentage of net turnover for the period.

Net income

Net income is the profit/loss after tax.

Earnings per share

Net profit/loss divided by the average number of shares.

Return on capital employed

Profit after net financial items plus interest expense for the past twelve-month period divided by the average capital employed for the period in question.

Capital employed

Balance sheet total less non-interest-bearing operating liabilities including deferred tax liabilities.

Return on equity

Net income for the past twelve-month period as a percentage of average shareholders' equity for the period in question.

Interest coverage ratio

Profit/loss after net financial items plus interest expense, divided by interest expense.

P/E ratio

Share price at the end of the period in relation to earnings per share after tax.

Direct yield

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

Operating cash flow/share

Cash flow from operating activities and normal investments divided by the number of shares.

Cash flow before investments/share

Cash flow from operating activities divided by the number of shares.

GLOSSARY

Glossary

BEK	Bleached Eucalyptus Kraft, bleached eucalyptus 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.
Chemical pulp	Paper pulp produced by cooking raw timber together with chemicals. Has higher brightness and strength than mechanical pulp.	NBSK	Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
CTMP	Chemi Thermo Mechanical Pulp. Development of TMP, where the raw material is impregnated with chemicals. Stronger than TMP.	TMP	Thermo Mechanical Pulp. Mechanical pulp produced using a technique in which the chips are preheated with steam.
ECF	Elementary Chlorine Free. Sulphate pulp bleached using chlorine dioxide only.	UKP	Unbleached Kraft Pulp, unbleached sulphate pulp
Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.		

GROUP PROFIT/LOSS

CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net turnover	380	354	1,389
Change in inventories, finished goods	-15	9	5
Other income	11	17	44
TOTAL INCOME	376	380	1,438
Raw materials and consumables	-214	-244	-897
Other costs	-81	-78	-361
Personnel costs	-46	-48	-192
Depreciation/amortisation and write-downs	-14	-16	-142
TOTAL OPERATING COSTS	-355	-386	-1,592
OPERATING INCOME	21	-6	-154
Financial income	-	3	0
Financial expenses	-1	-1	-4
Net financial items	-1	2	-4
INCOME AFTER NET FINANCIAL ITEMS	20	-4	-158
Tax on income for the year	-4	0	0
NET PROFIT/LOSS AFTER TAX	16	-4	-158
Earnings after tax/share (SEK) ¹	0.10	-0.03	-1.04

¹ Profit after tax per share, after dilution, is the same as the profit after tax per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
NET PROFIT/LOSS AFTER TAX	16	-4	-158
Other comprehensive income			
Cash-flow hedging, income before tax	-3	-4	-13
Cash-flow hedging, tax effect	-	-	3
Exchange rate differences	-	-	-1
TOTAL OTHER COMPREHENSIVE INCOME	-3	-4	-11
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13	-8	-169

KEY INDICATORS THAT AFFECT TURNOVER

Pulp price NBSK, USD ¹	916	823	857
SEK/USD ²	6.46	6.43	6.51
Pulp price NBSK, SEK	5,919	5,295	5,582
Rottneros' deliveries, tonnes	87,200	85,500	332,100

¹ Source: PIX/Market Pulse.

² Source: Swedish central bank yearly average.

GROUP BALANCE SHEET

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Mar 2014	Mar 2013	Dec 2013
Intangible fixed assets	5	5	5
Tangible fixed assets	642	741	647
Financial fixed assets	50	51	54
Total fixed assets	697	797	706
Inventories	217	260	246
Current receivables	212	232	174
Liquid funds	25	39	35
Total current assets	454	531	455
TOTAL ASSETS	1,151	1,328	1,161
Shareholders' equity	838	985	825
Longterm liabilities			
Non interest-bearing	15	15	13
Total longterm liabilities	15	15	13
Current liabilities			
Interest-bearing	50	72	60
Non interest-bearing	248	256	263
Total current liabilities	298	328	323
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,151	1,328	1,161

GROUP CASH FLOW

CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Operating income	21	-6	-154
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	14	16	142
	35	10	-12
Received/paid financial items	-1	1	-3
Received/paid taxes	-1	-2	-
Cash-flow from current operations before change in working capital	33	9	-15
Change in working capital	-24	12	77
Cash-flow from current operations	9	21	62
Acquisition of fixed assets	-10	-2	-35
Cash-flow from investing activities	-10	-2	-35
Repayment of loans	-9	-6	-18
Cash-flow from financing activities	-9	-6	-18
Cash-flow for the year	-10	13	9
Liquid funds at beginning of year	35	26	26
Cash-flow for the year	-10	13	9
Liquid funds at end of year	25	39	35

CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Opening shareholders' equity	825	993	993
Total comprehensive income for the period	13	-8	-169
Dividend	-	-	-
Closing shareholders' equity	838	985	825

SHARE DATA¹

		Jan-Mar 2014	Jan-Mar 2013	2013	2012	2011	2010	2009	2008
Shares, opening ²	No.	152,572	152,572	152,572	152,572	152,572	1,525,719	180,212	180,212
Shares issued ²	No.	-	-	-	-	-	-	1,345,507	-
No. of company's own shares bought back ²	No.	-	-	-	-	-	-1,373,147	-	-
Shares closing ²	No.	152,572	152,572	152,572	152,572	152,572	152,572	1,525,719	180,212
Average number of shares ²	No.	152,572	152,572	152,572	152,572	152,572	152,572	26,884	18,021
Operating profit or loss/share ^{2,5}	SEK	0.14	-0.04	-1.01	0.04	-0.77	0.90	-6.18	-16.95
Earnings after tax/share ⁵	SEK	0.10	-0.03	-1.04	-0.09	-0.95	0.82	-2.59	-18.35
Operating cash flow/share ^{3,5}	SEK	-0.07	0.09	0.06	0.03	-0.74	0.51	2.74	-13.34
Equity/share ⁵	SEK	5.49	6.46	5.41	6.51	6.65	8.05	7.14	44.96
Dividend ⁵	SEK	-	-	-	-	0.10	0.20	-	0.00
Dividend/equity/share	%	-	-	-	-	1.50	2.50	-	0.00
Share price at end of period ⁵	SEK	2.05	2.08	1.99	2.00	2.11	4.37	6.90	10.50
Share price/equity/share	Times	0.4	0.3	0.4	0.3	0.3	0.5	1.0	0.2
P/E ratio/share	Times	20.2	Neg	Neg	Neg	Neg	5.3	Neg	Neg
Direct yield ⁴	%	-	-	0.0	0.0	4.7	4.6	-	-

¹ No key ratios were influenced by any dilution effect.

² The number of shares is stated in thousands, excluding treasury shares held by Rottneros.

³ Cash-flow after normal investments but excluding strategic investments.

⁴ Direct yield is calculated in relation to the closing listed price.

⁵ There was a reverse share split in April 2010, where ten existing shares were combined into one share. The comparison periods have been adjusted for this reverse split.

QUARTERLY DATA (SEK MILLION)

	2014	2013				2012			
	I	IV	III	II	I	IV	III	II	I
Net turnover	380	317	349	369	354	329	359	378	371
Operating profit/loss before depreciation	35	-27	7	-1	10	16	-15	50	10
Depreciation/amortisation and write-downs	-14	-15	-96	-15	-16	-15	-13	-14	-13
Operating profit/loss	21	-42	-89	-16	-6	1	-28	36	-3
Net financial items	-1	-1	-2	-4	2	-1	2	-	-1
Profit/loss after financial items	20	-43	-91	-20	-4	-	-26	36	-4
Tax	-4	-	-	-	-	-10	-	-9	-
Profit/loss after tax	16	-43	-91	-20	-4	-10	-26	27	-4
Pulp production, 1,000 tonnes	85	79	78	88	88	86	73	90	82
Pulp deliveries, 1,000 tonnes	87	76	83	88	86	79	85	82	85
Operating margin, %	5.7	Neg	Neg	Neg	Neg	0.3	Neg	9.7	Neg
Return on equity after full tax, %	1.9	Neg	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Return on capital employed, %	1.5	Neg	Neg	Neg	1.0	1.0	Neg	Neg	Neg
Equity/assets ratio, %	72.8	71.1	74.9	72.0	74.2	76.7	76.2	74.0	74.6
Equity/share, SEK	5.49	5.41	5.76	6.29	6.46	6.51	6.58	6.71	6.64
Earnings after tax/share, SEK	0.10	-0.28	-0.59	-0.13	-0.03	-0.07	-0.17	0.18	-0.03
Cash flow before investments/share, SEK	-0.01	0.02	0.31	-0.06	0.14	-0.05	0.09	0.44	-0.21
Operating cash flow/share, SEK	-0.07	-0.03	-0.04	0.04	0.09	0.08	0.00	0.35	-0.32

PARENT PROFIT/LOSS

PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net turnover	2	1	6
Other income	1	5	9
TOTAL INCOME	3	6	15
Other costs	-10	-6	-35
Personnel costs	-4	-4	-25
TOTAL OPERATING COSTS	-14	-10	-60
OPERATING INCOME	-11	-4	-46
Profit from participations in group companies			-45
Financial income, other	-	3	1
Financial expenses, other	-1	-1	-3
Net financial items	-1	2	-47
INCOME AFTER NET FINANCIAL ITEMS	-12	-2	-93
Tax on income for the year	-	-	-
NET PROFIT/LOSS AFTER TAX	-12	-2	-93

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
NET PROFIT/LOSS AFTER TAX	-12	-2	-93
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/TOTALRESULTAT FÖR PERIODEN	-12	-2	-93

PARENT BALANCE SHEET

PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Mar 2014	Mar 2013	Dec 2013
Intangible fixed assets	4	4	4
Tangible fixed assets	1	1	1
Financial fixed assets	251	295	251
Total fixed assets	256	300	256
Current receivables	691	699	700
Liquid funds	1	3	1
Total current assets	692	702	701
TOTAL ASSETS	948	1,002	957
Shareholders' equity	847	950	858
Current liabilities			
Interest-bearing	49	46	46
Non interest-bearing	52	6	53
Total current liabilities	102	52	99
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	948	1,002	957

¹ Including receivable on subsidiaries SEK 681 (542) Million.

GROUP REVIEW

SIX YEAR REVIEW

	Jan-mar 2014	Jan-mar 2013	2013	2012	2011	2010	2009
KEY INDICATORS THAT AFFECT TURNOVER							
Pulp price NBSK, USD ¹	916	823	857	814	960	930	657
SEK/USD ²	6.46	6.43	6.51	6.78	6.50	7.21	7.65
Pulp price NBSK, SEK	5,919	5,295	5,582	5,519	6,229	6,705	4,989
Rottneros' deliveries, tonnes	87,200	85,600	332,100	331,400	311,400	330,300	376,700
Turnover and income, SEK million							
Net turnover	380	354	1,389	1,437	1,513	1,684	1,508
Profit/loss before depreciation	35	10	-11	61	4	224	-61
Depreciation	-14	-16	-142	-55	-120	-86	-104
Operating profit/loss after depreciation	21	-6	-154	6	-117	138	-166
Net financial items	-1	2	-4	-	-3	-	97
Profit/loss after net financial items	20	-4	-158	6	-120	138	-69
Profit/loss after tax	16	-4	-158	-13	-144	125	-69
Balance sheet items, SEK million							
Fixed assets	697	797	706	809	841	867	849
Inventories	217	260	246	240	276	213	215
Current receivables	212	232	175	219	209	259	230
Liquid funds	25	39	35	26	21	155	111
Shareholders' equity	838	985	825	993	1,014	1,228	1,089
Long-term interest-bearing liabilities	-	1	-	-	7	10	57
Long-term non interest-bearing liabilities	15	15	13	15	11	-	1
Current interest-bearing liabilities	50	72	60	78	42	29	44
Current non interest-bearing liabilities	248	256	264	208	275	227	214
Balance sheet total	1,151	1,328	1,161	1,294	1,347	1,494	1,405
Financial ratios							
Operating margin, %	5.5	neg	neg	-	-7.8	8.2	-11.0
Profit margin, %	5.3	neg	neg	-	-8.0	8.2	-4.6
Return on capital employed, %	10.4	neg	Neg	-	Neg	11.6	Neg
Return on equity after full tax, %	1.9	neg	Neg	Neg	Neg	10.8	Neg
Equity/assets ratio, %	72.8	74.2	71.1	76.7	75.3	82.2	77.5
Debt/equity ratio, Times	0.1	0.1	0.1	0.1	0.0	-0.1	0.1
Interest cover, Times	20	Neg	Neg	2.2	Neg	26	Neg
Other							
Capital expenditure, SEK m	10	2	35	46	157	125	10
Average no. of employees	252	266	256	275	298	308	387

¹ Source: FOEX NBSK PIX.

² Source: Swedish central bank yearly average.

ROTTNEROS IN SUMMARY

Rottneros produces customised pulp for the market pulp market.

ROTTNEROS

Rottneros had just over 250 employees and a turnover of approximately SEK 1.4 billion in 2013. The Group produced 333,400 tonnes of pulp in total.

ROTTNEROS IN FIGURES

SEK m	2013	2012	2011	2010	2009
Net turnover	1,389	1,437	1,513	1,684	1,508
Profit/loss after net financial items	-158	6	-120	138	-69
Investments in fixed assets	35	51	157	125	10
Average number of employees	256	275	298	308	387
Production per employee (Ktonnes)	1.3	1.2	1.1	1.0	0.9

RATIOS

Equity/assets ratio	71	77	75	82	78
Return on capital employed	Neg	Neg	Neg	11.6	Neg
Return on equity	Neg	Neg	Neg	10.8	Neg
Operating margin	-11.1	0.4	-7.8	8.2	-11.0

SEK/SHARE

Shareholders' equity per share ¹	5.41	6.51	6.65	8.05	7.14
Profit/loss after tax per share ¹	-1.04	-0.09	-0.95	0.82	-2.59
Operating cash flow per share ^{1,2}	0.06	0.03	-0.74	0.51	2.74
Dividend ¹	0.0	0.0	0.10	0.20	-

¹ There was a reverse share split in April 2010 where ten existing shares were combined as one share. The comparison periods have been adjusted for this reverse split.

² Cash flow after normal investments but excl. strategic investments.

GROUPS' PRODUCTS



68% Sulphate pulp
17% CTMP
13% Groundwood pulp
2% Other

GEOGRAPHICAL DISTRIBUTION OF TURNOVER



22% Germany
12% US
11% Sweden
9% Italy
6% Finland
25% Rest of Europe
15% Rest of world

THE WAY FORWARD

Rottneros has been conducting a programme of change since the autumn of 2013, with the aim of generating sustainable profitability. This necessary process is based on establishing common objectives, and consensus on defined and shared core values and developing an understanding of the way in which we will work to achieve the set objectives.

OBJECTIVE

The Group will achieve sustainable profitability over a business cycle.

This will be achieved by:

FOCUS ON SELECTED NICHES

where Rottneros has the capacity to achieve competitive advantages and become the market leader. Sales will be concentrated to those market segments where the Group is able to offer customers clear added value through high-quality and customised products.

➔ INCREASED PRODUCTIVITY.

Productivity is vital for sustainable profitability. The objective is to increase long-term productivity by continually developing our processes and carrying out well-planned and effective preventive maintenance work.

➔ INCREASED PRODUCTION VOLUME.

The company will increase pulp production volume by improving accessibility and expanding capacity.

➔ **IMPROVED SAFETY.** Good order will prevail at Rottneros. Our objective is to have no sick days on account of work-related incidents.

➔ **COMPETENCE DEVELOPMENT.** We will develop our skills and competence with the objective of having a workforce that is committed and safety-conscious.

➔ **SERVICE LEADER.** Customers should perceive Rottneros as a leader in service. In our chosen segments we will provide our customers with knowledge and know-how on how to utilise our products to improve their end products.

ROTTNEROS' MILL



GROUND-WOOD PULP



Spruce

Bleached/unbleached

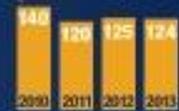


Board



Printing and writing paper

Pulp deliveries (thousand tonnes)



Production (tonnes)



CTMP



Spruce/pine

Bleached/unbleached



Board



Tissue paper



Printing and writing paper



Filters

Production (tonnes)



CTMP



Aspen/birch

Bleached



Printing and writing paper



Fine paper

VALLVIK'S MILL



LONG-FIBRE SULPHATE



Spruce/pine

Bleached



Printing and writing paper



Tissue paper



Board

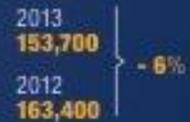


Filters

Pulp deliveries (thousand tonnes)



Production (tonnes)



Unbleached



Kraft paper



Filters



Electrical insulating material

Production (tonnes)



Rottneros, a company that was originally established in the 17th century, is an independent and flexible supplier of customised paper pulp of high quality. Rottneros has been able to adapt in order to meet high customer expectations by continually developing its products and maintaining high levels of delivery reliability, technical support and service.

Rottneros has an annual total production capacity of almost 400,000 tonnes of pulp at two mills in Sweden. Increasingly intensive product development in line with the requirements of customers will result in profitability that is higher and more stable throughout the business cycle.



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