

# Rottneros

## Interim Report January-June 2012

	Quarter			Interim period	
	II 2012	I 2012	II 2011	Jan-Jun 2012	Jan-Jun 2011
Net turnover, SEK m	378	371	409	749	809
Income after net financial items, SEK m <sup>1</sup>	36	-4	37	32	56
Earnings per share after net financial items, SEK <sup>1</sup>	0.24	-0.03	0.24	0.21	0.37
Profit/loss after tax, SEK m <sup>1</sup>	27	-4	26	23	40
Earnings per share after tax, SEK <sup>1</sup>	0.18	-0.03	0.17	0.15	0.26
Cash flow before investments per share, SEK	0.44	-0.21	0.36	0.23	0.20
Cash flow per share, SEK	0.35	-0.32	0.22	0.04	-0.05
	30-06-2012	31-03-2012	30-06-2011	31-12-2011	
Shareholders' equity per share, SEK	6.71	6.64	8.00	6.65	
Equity/assets ratio, %	74	75	83	75	

- Profit after net financial items amounted to SEK 36 (37) million for the second quarter of 2012. Profit after net financial items amounted to SEK 32 (56) million for the first half of 2012.
- Cash flow from operating activities amounted to SEK 67 (55) million for the second quarter of 2012 and to SEK 35 (30) million for the first half of 2012.
- Over 20,000 tonnes of chemical sulphate pulp were produced at Vallvik Mill in June. This is the highest ever monthly production at the mill and well over the old record. A new daily record of 740 tonnes was also noted.
- In May 2012, the Board of Rottneros decided to enter into negotiations concerning the termination of continuous groundwood pulp production at Rottneros Mill. Negotiations have been concluded and approximately 50 employees at the mill were issued with notices of pending redundancy.



The flash dryer at Vallvik Mill

## CEO's statement

Rottneros generated an operating profit of SEK 36 million during the second quarter, which we are pleased about given the prevailing macro-economic downturn and global uncertainty. The quarterly result corresponds to a return on capital employed of 14 per cent for the quarter. The result is the same as for the second quarter of last year, although the cost of pulp at that time was USD 1,000 per tonne compared with just over SEK 800 this year. Including the stronger dollar, the price of pulp in Swedish kronor was almost SEK 500 per tonne lower during the second quarter of the year compared with last year. Consequently we have largely achieved this result by improving productivity and reducing costs.

Vallvik Mill has beaten its production record, which demonstrates in its monthly rate that the factory can handle a rate corresponding to the level for which we are applying for a temporary environmental permit: 242,000 tonnes per year. A decision is expected during the third quarter and should apply for a period of three years. The investment programme implemented following the new share issue in late 2009 is now paying for itself. Higher and more stable production has reduced the consumption of chemicals and energy, increased green electricity certificate production, and having fewer employees obviously leads to a lower production cost per tonne. Yet we cannot live on this; it is revenues that count at the end of the day. Thankfully, most of Vallvik's sales are outside the troubled printing paper segment, so the revenue side has fared pretty well despite macro-economic weaknesses.

The decline in the European consumption of printing paper means that the demand for suitable fine groundwood pulp continues to dwindle. As the last dedicated manufacturer, we have now been forced to issue notices of pending redundancy notices to our staff on the groundwood line at Rottneros Mill. Our continuous production of groundwood pulp is scheduled to cease in March 2013. This will not affect CTMP production. The intention is not to scrap or sell the groundwood line, but to modify it during the autumn so that it can also manufacture coarse groundwood pulp. If there are customers in the future who are profitable for us within either the board or printing paper sectors, production can thus be continued intermittently. Furthermore it is also conceivable that continuous production could also resume should there once again be a change in the competitive conditions – in plain terms price, availability and quality including composition reliability – especially relative to recycled fibres. We have been forced to initiate this drastic process owing to the Swedish model which, unlike the countries where many of our competitors operate, have no temporarily dismissal rules and because of Swedish employment protection legislation. The downsizing does not necessitate any impairment losses or reservations for redundancy expenses or other closure costs.

We envisage a high level of macroeconomic uncertainty for the remainder of the year with virtually unpredictable value interrelations between the dollar, the euro and the krona. This results in commodity markets being generally tricky to predict, and particularly the pulp market. When making an international comparison, European pulp prices are not high and the price gap between the various grades of pulp is also unusually low, which leads us to believe that demand for our long-fibre pulp will be fairly good for the remainder of the year. We do not envisage any price increases for raw materials (such as pulpwood and chemicals) over the year and nor for energy besides normal seasonal fluctuations during the late autumn.

Ole Terland  
President and CEO

## THE PULP MARKET

### Markets and products

Several price increases were made for short-fibre chemical pulp during the first half of 2012. The price of bleached long-fibre chemical market pulp also increased during the first quarter. However, prices fell back at the end of the second quarter and by the end of this quarter were at the same level as at the start of the year. Prices in EUR for short-fibre bleached

sulphate rose by EUR 119 per tonne or USD 132 per tonne during the first half of 2012, but the year started with a lower price level than that for bleached pinewood sulphate pulp. Demand is still good for chemical pulp. At the beginning of 2012, the PIX price for bleached long-fibre sulphate pulp was approximately USD 180 higher per tonne than for

short-fibre sulphate pulp, and after six months this difference had reduced to approximately USD 40 per tonne, which is a historically small difference.

Statistics for bleached chemical market pulp for the total global market showed that deliveries for January to May 2012 amounted to 17.4 (17.1) million tonnes, which was 2% higher than the same period of 2011. Ninety-three per cent (91% for the same period of 2011) of the global supply capacity for bleached chemical pulp was utilised for the period January to May 2012. An estimated 92% (93%) of production capacity was utilised for the same period.

Global producer stocks of bleached chemical pulp amounted to 3.7 million tonnes at the end of May. Stock levels were 0.1 million tonnes lower compared with the same time in 2011.

**Long-fibre chemical pulp (NBSK) (produced at Vallvik)**

The PIX price for bleached long-fibre sulphate pulp in Europe was USD 834 per tonne at the start of the year and USD 831 at the end of June. However, a weaker krona at the end of the second quarter than at the start of the year meant that the price in SEK was slightly higher at the end of the second quarter. The long-fibre chemical pulp market is well balanced, with stock increasing by approximately 200,000 tonnes at the end of May. Producer stock levels for long-fibre chemical pulp are normal, corresponding to 30 days' production.

Supplies of bleached long-fibre chemical pulp increased between January and May 2012 and were just over 1% higher than the same period of 2011. Delivery capacity utilisation during the period January to May 2012 amounted to 95% (94% for the same period of 2011) and production capacity utilisation was around 92% (95%).

**Mechanical pulp and CTMP (produced at Rottneros)**

The price of CTMP amounted to approximately USD 570-590 per tonne in the Western European market at the beginning of the year. A price increase of USD 30-35 per tonne was announced during the first half of 2012. Deliveries rose by 1 per cent during January to May 2012 compared with the same period of 2011. Deliveries amounted to 1.2 million tonnes during January to May 2012.

Delivery capacity utilisation for the period January to May 2012 was 99% (101%) and production capacity utilisation was 98% (101%).



**PRODUCTION AND DELIVERIES**

The Group's pulp mills at Rottneros and Vallvik have a combined annual production capacity of almost 400,000 tonnes. Production during the first half of 2012 amounted to 171,600 (176,500) tonnes. Vallvik Mill increased its production by 3,500 tonnes during the first half of 2012 compared with the same period of 2011. This increase is primarily due to the investments made which increased capacity. Rottneros Mill's production of CTMP rose by 1,900 tonnes. However, the mill's production of groundwood pulp fell sharply as a result of market-related production restrictions.

Deliveries during the first half of 2012 amounted to 167,100 (164,400) tonnes. Deliveries from Vallvik Mill increased by 10,300 tonnes during the first half of 2012 compared with the same period of the previous year. Rottneros Mill's deliveries of CTMP basically corresponded to the increased production, while deliveries of groundwood pulp fell sharply just like production.

PRODUCTION (TONNES)				
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Sulphate pulp	58,200	55,000	109,100	105,600
Groundwood pulp	14,400	16,100	25,100	35,400
CTMP	17,100	16,900	37,400	35,500
<b>TOTAL</b>	<b>89,700</b>	<b>88,000</b>	<b>171,600</b>	<b>176,500</b>

DELIVERIES (TONNES)				
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Sulphate pulp	54,000	48,700	106,800	96,500
Groundwood pulp	12,100	15,900	24,500	33,700
CTMP	16,300	16,400	35,800	34,200
<b>TOTAL</b>	<b>82,400</b>	<b>81,000</b>	<b>167,100</b>	<b>164,400</b>

**Maintenance shutdowns and seasonal variations**

A holiday shutdown takes place at Rottneros Mill in July and August, which is combined with minor annual maintenance work. There is an annual maintenance shutdown at Vallvik Mill during the third 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.

It is considered that a holiday shutdown and maintenance shutdown during the third quarter of 2012 at Rottneros Mill and Vallvik Mill respectively will result in reduced production of approximately 14,000 tonnes compared with the second quarter. Furthermore, large maintenance-related costs corresponding to approximately SEK 30 million will be charged to the result for the third quarter.

## SIGNIFICANT EVENTS

### Rottneros Mill focuses on CTMP production

In May 2012, the Board of Rottneros decided to immediately commence negotiations concerning the termination of continuous groundwood pulp production at Rottneros Mill. This has been caused by the rapid decline in printing paper consumption in Europe, which has resulted in a dramatic reduction in the demand for groundwood pulp. Rottneros Mill has around 100 employees, 50 of whom were given notice of pending redundancy.

These measures do not generate any substantial one-off costs and do not result in any impairment losses. Negotiations have been concluded and we plan to cease continuous groundwood pulp production at the end of March 2013. The mill's CTMP production will continue and limited investments will enable qualitative improvements for customers who manufacture board while slightly increasing capacity.

### Disposal of Rockhammars Bruk AB

Rockhammars Bruk AB, which owns the property where the sawmill used to be operated, was sold by Rottneros at the end of May 2012. The purchaser is NA SVERIGE AB, which intends to conduct a materials recovery operation on the site. Following the disposal of the pulp mill at Rockhammar in 2009, the book value was zero and the sale had a small positive effect on the result and cash flow.

### Production record at Vallvik Mill

Well over 20,000 tonnes of chemical sulphate pulp were produced at Vallvik Mill in June, which is the highest ever monthly production at the mill and clearly exceeds the old record. A new daily record of 740 tonnes was also noted. The production record was achieved thanks to the investments made at Vallvik Mill in recent years. The outcome in terms of quality is also excellent.

## INVOICING AND RESULTS

### January to June 2012 compared with January to June 2011

DEVIATION ANALYSIS		
	Jan-Jun 2012	Jan-Jun 2011
NBSK PIX	839	981
SEK/USD	6.85	6.38
NBSK SEK	5,745	6,252
<b>OPERATING INCOME</b>	<b>33</b>	<b>57</b>
Price		-104
Currency		43
Volume		-14
Variable costs		34
Other		17
<b>TOTAL</b>		<b>-24</b>

Group net turnover amounted to SEK 749 (809) million for January to June 2012. The average price of long-fibre sulphate pulp (NBSK) in USD fell by 14% (from USD 981 to USD 839), while the average price of NBSK pulp converted into SEK fell from SEK 6,252 to SEK 5,745 per tonne, a reduction of 8%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.31 per kWh for January to June 2012, compared with SEK 0.53 per kWh for the same period of the previous year.

- Group operating profit amounted to SEK 33 (57) million for January to June 2012. Hedging activities realised during the first half of 2012 amounted to SEK -8 (19) million.
- Group profit after net financial items amounted to SEK 32 (56) million and includes net financial items of SEK -1 (-1) million. Net financial items include financial exchange losses of SEK -1 (0) million.
- Profit after tax amounted to SEK 23 (40) million.
- Earnings per share after tax were SEK 0.15 (0.26).
- Cash flow per share amounted to SEK 0.04 (-0.05).

### April to June 2012 compared with April to June 2011

DEVIATION ANALYSIS		
	Apr-Jun 2012	Apr-Jun 2011
NBSK PIX	845	1,008
SEK/USD	6.95	6.26
NBSK SEK	5,870	6,312
<b>OPERATING INCOME</b>	<b>36</b>	<b>36</b>
Price		-58
Currency		32
Volume		1
Variable costs		31
Other		-6
<b>TOTAL</b>	<b>0</b>	<b>0</b>

Group net turnover amounted to SEK 378 (409) million for April to June 2012. The average price of long-fibre sulphate pulp (NBSK) in USD fell by 16% (from USD 1,008 to USD 845), while the average price of NBSK pulp converted into SEK fell from SEK 6,312 to SEK 5,870 per tonne, a reduction of 7%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.26 per kWh for April to June 2012, compared with SEK 0.47 per kWh for the same period of the previous year.

- Group operating profit amounted to SEK 36 (36) million for April to June 2012. Hedging activities realised for the second quarter of 2012 amounted to SEK -6 (6) million.
- Group profit after net financial items amounted to SEK 36 (37) million and includes net financial items of SEK 0 (1) million. Net financial items include financial exchange losses of SEK -1 (2) million.
- Profit after tax amounted to SEK 27 (26) million.
- Earnings per share after tax were SEK 0.18 (0.17).
- Cash flow per share amounted to SEK 0.35 (0.22).

### April to June 2012 compared with January to March 2012

DEVIATION ANALYSIS		
	Apr-Jun 2012	Jan-Mar 2012
NBSK PIX	845	833
SEK/USD	6.95	6.75
NBSK SEK	5,870	5,620
<b>OPERATING INCOME</b>	<b>36</b>	<b>-3</b>
Price		5
Currency		9
Volume		12
Variable costs		15
Other		-2
<b>TOTAL</b>	<b>36</b>	<b>39</b>

Group net turnover amounted to SEK 378 million for the second quarter of 2012 compared with SEK 371 million for the first quarter of 2012. The average price of long-fibre sulphate pulp (NBSK) in USD increased from USD 833 to USD 845, while the average price of NBSK pulp converted into SEK increased from SEK 5,620 to 5,870 per tonne, an increase of 4%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.26 per kWh for the second quarter of 2012, compared with SEK 0.35 per kWh for the first quarter of 2012.

- Group operating profit amounted to SEK 36 million for the second quarter of 2012 compared with the first quarter of 2012 when the operating loss amounted to SEK -3 million. Hedging activities realised during the second quarter of 2012 resulted in a loss of SEK -6 (-2) million.
- Group profit after net financial items amounted to SEK 36 million for the second quarter of 2012, compared with a loss of SEK -3 million for the first quarter of 2012.

## INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 30 (42) million for the first half of 2012.
- The Group had liquid funds amounting to SEK 35 million at the end of June 2012, compared with SEK 21 million at the end of December 2011.
- The Group had total interest-bearing liabilities of SEK 71 million on 30 June 2012 (SEK 47 million on 31 December 2011). Interest-bearing net liabilities amounted to SEK 36 million (SEK 26 million on 31 December 2011).
- Approved but unutilised credit facilities amounted in total to SEK 87 million on 30 June 2012 and total approved credit facilities amounted to SEK 150 million.
- The equity/assets ratio amounted to 74% on 30 June 2012, which is down one percentage unit compared with 31 December 2011.
- Equity per share amounted to SEK 6.71 (SEK 6.65 on 31 December 2011).

## CASH FLOW

- Cash flow from operating activities before investments amounted to SEK 35 (30) million for the first half of 2012 and included cash flow of SEK -11 (19) million from financial hedging.
- Cash flow after investing activities amounted to 6 (-8) million for January to June 2012.

## AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 286 (303) for January to June 2012.

## TAX

Deferred tax assets amounted to SEK 62 million on 30 June 2012, which is a reduction of SEK 11 million compared with 31 December 2011. Recorded deferred tax assets correspond to a carry-forward of deductions for unutilised losses of SEK 236 million. There was also a tax loss carry-forward of SEK 148 million, for which deferred tax assets have not been recorded.

## PARENT COMPANY

The loss after net financial items amounted to SEK -23 (3) million for the first half of 2012. The loss after net financial items includes hedging activities realised for the entire Group, which affected the result by SEK -8 (19) million.

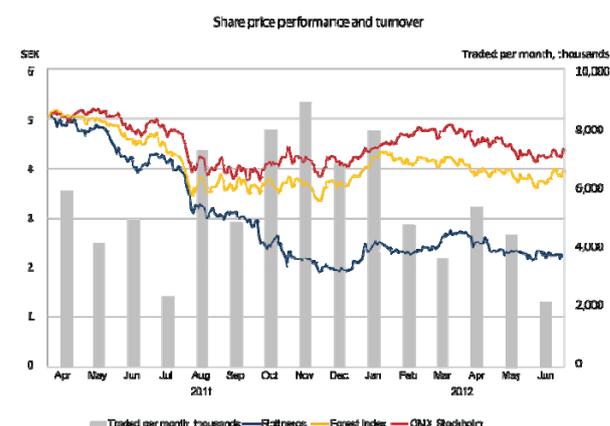
The parent company's balance sheet and income statement can be found on pages 13 and 14.

## SHARE INFORMATION

### NUMBER OF SHARES

	30 June 2012
Registered number of shares	153,393,890
- of which treasury shares	821,965

### Share price



### LARGEST SHAREHOLDERS AT 30 JUNE 2012

Shareholder	Number of shares (=votes)	Percentage of capital
Nemus Holding AB	30,857,435	20.1
Skagen Verkst Verdipapirfond	11,452,911	7.5
Danske Bank A/S	6,451,273	4.2
DNB NOR Bank ASA Sverige	6,451,273	4.2
Aliz Invest AB	6,331,000	4.1
Clearstream Banking S.A., W8IMY	5,601,100	3.6
Robur Försäkring	4,920,514	3.2
Nordea Bank AB	3,500,274	2.3
BBVA Ireland P.L.C	2,323,139	1.5
NTC GIC Govt Of Singapore Inv Corp	2,164,279	1.4
<b>Total holdings of 10 largest shareholders</b>	<b>80,053,198</b>	<b>52.1</b>
Rottneros AB (treasury stock from buy-back)	821,965	0.5
Other shareholders	72,518,727	47.4
<b>TOTAL</b>	<b>153,393,890</b>	<b>100.0</b>

### Sale of treasury shares

The number of shares in Rottneros amounts to 153,393,890. Rottneros' holding of treasury shares amounts to 821,965 shares. The AGM held in 2012 authorised the Board to make decisions regarding the transfer of shares in the company for the period up until the next AGM. No such transfer has taken place so far.

### Transactions with related parties

Rottneros has sold pulp to the related Arctic Paper S.A. Group. This was done on normal market terms.

### Dividends

A resolution was made at the AGM on 19 April 2012 to issue a dividend of SEK 0.10 per share, which corresponds in total to SEK 15 million. This dividend was distributed in April 2012.

## 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 with exchange rates and the prices of pulp, timber and electricity.

Profit/loss after financial items	2012						2011
	II	I	IV	III	II	I	Full year
Group							
<b>Profit/loss after financial items</b>	<b>36</b>	<b>-4</b>	<b>-44</b>	<b>-132</b>	<b>37</b>	<b>19</b>	<b>-120</b>
Whereof:							
Currency hedges	-2	2	-4	-1	5	7	7
Pulp price hedges	2	-	-	-	-	-	-
Electricity hedges	-6	-4	-9	-5	1	6	-7
<b>Total hedges</b>	<b>-6</b>	<b>-2</b>	<b>-13</b>	<b>-6</b>	<b>6</b>	<b>13</b>	<b>-</b>
<b>Green electricity</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>20</b>

## Currency exposure, USD and EUR

Although Rottneros issues invoices in various currencies, the main underlying currency for pulp prices is predominantly USD. Around 10% of invoicing is contracted in SEK, with EUR as the invoicing currency. The underlying exposure to USD is thus very high, while the direct inflow of USD (the real flow) corresponds to just over 45%. 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 7% higher during the first half of 2012 compared with the same period of the previous year, amounting to an average of SEK 6.85/USD for the period compared with SEK 6.38/USD for January to June 2011. The impact on turnover of a higher average exchange rate for USD in relation to SEK for the first half of 2012 amounted to SEK 43 million compared with the first half of 2011.

At the end of June 2012, currencies were hedged in the form of forward contracts concluded for USD 30 million at an average rate of SEK 6.93/USD and EUR 2 million at an average rate of SEK 9.08/EUR for deliveries in 2012. In addition to this, currencies were hedged in the form of forward contracts concluded for EUR 14 million at an average rate of SEK 9.19/EUR for electricity purchases for 2012 to 2015.

## Pulp price

The price of pulp (NBSK) is set in USD, while manufacturing costs are largely incurred in local currencies. During the first half of 2012 contracts were concluded to hedge the pulp price at USD 890 per

tonne for 2,000 tonnes per month during the period April to December 2012, and further contracts were concluded to hedge the pulp price at SEK 6,060 per tonne for 1,000 tonnes per month for the period July to December 2012.

## Electricity

All physical electricity is purchased directly via the Nord Pool electricity exchange. Electricity prices are quoted in EUR. At the end of June 2012, electricity was hedged corresponding to the specified percentage of forecast consumption shown in the table. Average prices in EUR/MWh are specified in the table together with average prices in SEK/kWh (based on EUR forward rates as of 30 June 2012).

ELECTRICITY HEDGING AT 30 JUNE 2012			
Year	Part hedged	EUR/MWh	SEK/kWh
2012 Q3-Q4	61%	48.8	0.44
2013	48%	45.4	0.40
2014	32%	46.5	0.42
2015	16%	49.0	0.44

Total EUR hedging of EUR 14 million was concluded at an average rate of SEK 9.19/EUR for electricity costs in 2012 to 2015.

The average price level for electricity on the Nord Pool exchange amounted to SEK 0.31 per kWh for the first half of 2012.

See pages 32 to 36 of the Annual Report for 2011 for further information on risk.

MARKET VALUE (SEK million) JUNE 2012				
Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 30 June 2012
Currency USD, forward sell	USD 30 m	6.93 SEK/USD	-2	7.04 SEK/USD
Currency EUR, forward sell	EUR 2 m	9.08 SEK/EUR	1	8.80 SEK/EUR
Currency EUR, forward buy	EUR 14 m	9.19 SEK/EUR	-3	8.80 SEK/EUR
Pulp price	12,000 tonnes	890 USD (PIX)	5	USD 844 (PIX)
Pulp price	6,000 tonnes	6.060 SEK (PIX)	1	SEK 5.853 (PIX)
Electricity	340,100 MWh	SEK 0.420/kWh	-27	SEK 0.198/kWh
<b>Total market value</b>			<b>-25</b>	

MARKET VALUE (SEK million) JUNE 2011				
Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 30 June 2011
Currency USD, forward sell	USD 18 m	6.39 SEK/USD	1	6.41 SEK/USD
Currency EUR, forward sell	EUR 4 m	9.17 SEK/EUR	1	9.24 SEK/EUR
Electricity	484,804 MWh	SEK 0.448/kWh	-1	SEK 0.407/kWh
<b>Total market value</b>			<b>1</b>	

The table above shows the market values of all hedging contracts. The valuation refers to the liquidation value; i.e. a valuation is made in accordance with the forward contracts on 30 June 2012. The reference value refers to the spot rate on 30 June 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 PRINCIPLES

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

The Board and the President declare that the half-yearly report gives a true and fair summary of the operation, financial position and results of the parent company and the Group, and describes significant risks and uncertainties faced by the company and companies forming part of the Group.

Stockholm, 18 July 2012

Kjell Ormegard  
*Chair of the Board*

Bengt-Åke Andersson  
*Board Member*

Roger Asserståhl  
*Board Member*

Mikael Lilja  
*Board Member*

Bengt Unander-Scharin  
*Board Member*

Ingrid Westin Wallinder  
*Board Member*

Ole Terland  
*President*

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

### Analyst and press conference

Analysts and journalists are invited to a meeting on Wednesday 18 July at 10.00 CET.

Venue: Rottneros' Headquarters, World Trade Center, Kungsbron 1, C6, Stockholm, Sweden

Please register with Hella Wopfner, [hella.wopfner@rottneros.com](mailto:hella.wopfner@rottneros.com), telephone: +46 8-590 010 12

Rottneros AB (publ)  
Corp. ID no. 556013-5872  
Box 70 370, SE-107 24 Stockholm, Sweden  
Tel. +46 (0)8 590 010 00, fax +46 (0)8-590 010 01  
[www.rottneros.com](http://www.rottneros.com)

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 18 July 2012 at 08.00 CET. A Swedish and an English version of this report have been drawn up. The Swedish version shall apply in the event of differences between the two reports.

## 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 profit/loss

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

### Interest coverage ratio

Profit 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

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	Pulp produced by cooking pulpwood 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	Elemental Chlorine Free, sulphate pulp bleached using chlorine dioxide only.	UKP	Unbleached Kraft Pulp: unbleached sulphate pulp.
Groundwood pulp (SGP)	Mechanical pulp made from roundwood.		

**CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK MILLION)**

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Net turnover	378	409	749	809	1,513
Change in inventories, finished goods	22	25	3	45	60
Other income	12	29	33	53	90
<b>TOTAL INCOME</b>	<b>412</b>	<b>463</b>	<b>785</b>	<b>907</b>	<b>1,663</b>
Raw materials and consumables	-243	-272	-478	-536	-1,001
Other costs	-69	-84	-152	-175	-450
Personnel costs	-50	-53	-95	-103	-209
Depreciation/amortisation and write-downs	-14	-18	-27	-36	-120
<b>TOTAL OPERATING COSTS</b>	<b>-376</b>	<b>-427</b>	<b>-752</b>	<b>-850</b>	<b>-1,780</b>
<b>OPERATING INCOME</b>	<b>36</b>	<b>36</b>	<b>33</b>	<b>57</b>	<b>-117</b>
Financial income	1	1	2	2	2
Financial expenses	-1	-	-3	-3	-5
<b>Net financial items</b>	<b>-</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>
<b>INCOME AFTER NET FINANCIAL ITEMS</b>	<b>36</b>	<b>37</b>	<b>32</b>	<b>56</b>	<b>-120</b>
Tax on income for the year	-9	-11	-9	-16	-24
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>27</b>	<b>26</b>	<b>23</b>	<b>40</b>	<b>-144</b>
Earnings after tax/share (SEK) <sup>1</sup>	0.18	0.17	0.15	0.26	-0.95

<sup>1</sup> Profit after tax per share, after dilution, is the same as the profit after tax per share.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)**

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>27</b>	<b>26</b>	<b>23</b>	<b>40</b>	<b>-144</b>
<b>Other comprehensive income</b>					
Cash-flow hedging, income before tax	-2	-22	3	-25	-54
Cash-flow hedging, tax effect	1	6	-1	7	14
Exchange rate differences	0	1	0	1	1
Reclassification adjustment <sup>3</sup>	-	-	-	0	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-1</b>	<b>-15</b>	<b>2</b>	<b>-17</b>	<b>-39</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>26</b>	<b>11</b>	<b>25</b>	<b>23</b>	<b>-183</b>

**KEY INDICATORS THAT AFFECT TURNOVER**

Pulp price NBSK, USD <sup>1</sup>	845	1 008	839	981	960
SEK/USD <sup>2</sup>	6.95	6.26	6.85	6.38	6.50
Pulp price NBSK, SEK	5,870	6,312	5,745	6,252	6,229
Rottneros' deliveries, tonnes	82,400	81,100	167,100	164,400	311,400

<sup>1</sup> Source: PIX/Market Pulse.

<sup>2</sup> Source: Swedish central bank yearly average.

<sup>3</sup> Cumulative amount of exchange rate differences reclassified from equity to profit or loss according to IAS 21.

## CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Jun 2012	Jun 2011	Dec 2011
Intangible fixed assets	3	2	3
Tangible fixed assets	763	726	760
Financial fixed assets	68	139	78
<b>Total fixed assets</b>	<b>834</b>	<b>867</b>	<b>841</b>
Inventories	252	273	276
Current receivables	262	241	209
Liquid funds	35	89	21
<b>Total current assets</b>	<b>549</b>	<b>603</b>	<b>506</b>
<b>TOTAL ASSETS</b>	<b>1,383</b>	<b>1,470</b>	<b>1,347</b>
Shareholders' equity	1,024	1,220	1,014
Longterm liabilities			
Interest-bearing	3	8	5
Non interest-bearing	16	1	11
<b>Total longterm liabilities</b>	<b>19</b>	<b>9</b>	<b>16</b>
Current liabilities			
Interest-bearing	68	4	42
Non interest-bearing	272	237	275
<b>Total current liabilities</b>	<b>340</b>	<b>241</b>	<b>317</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,383</b>	<b>1,470</b>	<b>1,347</b>

## CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Operating income	33	57	-117
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	27	36	120
Profit/loss from disposal of fixed assets	0	-4	-4
Write-downs of receivables	0	-	72
Other non cash-flow items	-5	-1	14
	<b>55</b>	<b>88</b>	<b>85</b>
Paid financial items	-1	-1	0
Received/paid taxes	-1	-4	-1
<b>Cash-flow from current operations before change in working capital</b>	<b>53</b>	<b>83</b>	<b>84</b>
Change in working capital	-18	-53	-49
<b>Cash-flow from current operations</b>	<b>35</b>	<b>30</b>	<b>35</b>
Acquisition of fixed assets	-30	-42	-157
Sale of fixed assets	1	4	4
Change in long-term receivables	-	-	5
<b>Cash-flow from investing activities</b>	<b>-29</b>	<b>-38</b>	<b>-148</b>
New loans	25	-	37
Repayment of loans	-2	-28	-28
Utbetalad utdelning	-15	-30	-30
<b>Cash-flow from financing activities</b>	<b>8</b>	<b>-58</b>	<b>-21</b>
<b>Cash-flow for the year</b>	<b>14</b>	<b>-66</b>	<b>-134</b>
Liquid funds at beginning of year	21	155	155
Cash-flow for the year	14	-66	-134
Translation difference in liquid funds	0	0	0
Liquid funds at end of year	35	89	21

SHARE DATA <sup>1</sup>		Jan-Jun 2012	Jan-Jun 2011	2011	2010	2009	2008	2007
Shares, opening <sup>2</sup>	No.	152,572	152,572	152,572	1,525,719	180,212	180,212	180,212
Shares issued <sup>2</sup>	No.	-	-	-	0	1,345,507	-	-
No. of company's own shares bought back <sup>2</sup>	No.	-	-	-	-1,373,147	-	-	-
Shares closing <sup>2</sup>	No.	152,572	152,572	152,572	152,572	1,525,719	180,212	180,212
Average number of shares <sup>2</sup>	No.	152,572	152,572	152,572	152,572	26,884	18,021	18,021
Operating profit or loss/share <sup>2,5</sup>	SEK	0.22	0.37	-0.77	0.90	-6.18	-16.95	-19.99
Earnings after net financial items/share <sup>5</sup>	SEK	0.21	0.37	-0.79	0.90	-2.58	-21.33	-21.30
Earnings after tax/share <sup>5</sup>	SEK	0.15	0.26	-0.95	0.82	-2.59	-18.35	-16.69
Operating cash flow/share <sup>3,5</sup>	SEK	0.04	-0.05	-0.74	0.51	2.74	-13.34	-5.59
Equity/share <sup>5</sup>	SEK	6.71	8.00	6.65	8.05	7.14	44.96	58.29
Dividend <sup>5</sup>	SEK	-	-	0.10	0.20	-	-	-
Dividend/equity/share	%	-	-	1.5	2.5	-	-	-
Share price at end of period <sup>5</sup>	SEK	2.25	4.05	2.11	4.37	6.90	10.50	23.10
Share price/equity/share	Times	0.3	0.5	0.3	0.5	1.0	0.2	0.4
P/E ratio/share	Times	7.5	7.8	Neg	5.3	Neg	Neg	Neg
Direct yield <sup>4</sup>	%	-	-	4.7	4.6	-	-	-

<sup>1</sup> No key ratios were influenced by any dilution effect.

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

<sup>3</sup> Cash-flow after normal investments but excluding strategic investments.

<sup>4</sup> Direct yield is calculated in relation to the closing listed price.

<sup>5</sup> 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.

#### KEY RATIOS EIGHT QUARTERS

	2012				2011			2010
	II	I	IV	III	II	I	IV	III
Net turnover, SEK m	378	371	337	367	409	400	402	413
Return on equity after full tax, %	Neg	Neg	Neg	Neg	8.5	10.4	10.8	10.1
Return on capital employed, %	Neg	Neg	Neg	Neg	11.0	11.9	11.6	10.7
Equity/assets ratio, %	74	75	75	78	83	83	82	81
Equity/share, SEK <sup>1</sup>	6.71	6.64	6.65	7.03	8.00	8.13	8.05	8.03
Earnings after tax/share, SEK <sup>1</sup>	0.18	-0.03	-0.32	-0.89	0.17	0.09	0.06	0.37
Cash flow before investments/share, SEK	0.44	-0.21	-0.15	0.18	0.36	-0.16	0.26	0.19
Operating cash flow/share, SEK <sup>1</sup>	0.35	-0.32	-0.69	0.00	0.22	-0.27	-0.10	0.07
Operating margin, %	9.7	Neg	Neg	Neg	8.8	5.2	3.5	16.7

#### CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Opening shareholders' equity	1,014	1,228	1,228
Total comprehensive income for the period	25	23	-183
Dividend	-15	-31	-31
<b>Closing shareholders' equity</b>	<b>1,024</b>	<b>1,220</b>	<b>1,014</b>

**QUARTERLY DATA (SEK MILLION)**

	2012				2011				2010	
	II	I	IV	III	II	I	IV	III	II	I
Net turnover	378	371	337	367	409	400	402	413	462	407
<b>Operating profit/loss before depreciation</b>	<b>50</b>	<b>10</b>	<b>-40</b>	<b>-50</b>	<b>54</b>	<b>39</b>	<b>35</b>	<b>88</b>	<b>61</b>	<b>40</b>
Depreciation/amortisation and write-downs	-14	-13	-3	-81	-18	-18	-20	-20	-13	-33
<b>Operating profit/loss</b>	<b>36</b>	<b>-3</b>	<b>-43</b>	<b>-131</b>	<b>36</b>	<b>21</b>	<b>15</b>	<b>68</b>	<b>48</b>	<b>7</b>
Net financial items	0	-1	-1	-1	1	-2	-2	-4	2	4
<b>Profit/loss after financial items</b>	<b>36</b>	<b>-4</b>	<b>-44</b>	<b>-132</b>	<b>37</b>	<b>19</b>	<b>13</b>	<b>64</b>	<b>50</b>	<b>11</b>
Tax	-9	0	-4	-4	-11	-5	-5	-8	0	0
<b>Profit/loss after tax</b>	<b>27</b>	<b>-4</b>	<b>-48</b>	<b>-136</b>	<b>26</b>	<b>14</b>	<b>8</b>	<b>56</b>	<b>50</b>	<b>11</b>
Pulp production, 1,000 tonnes	89.7	81.9	70.4	77.2	88.0	88.5	75.0	82.6	84.0	81.4
Pulp deliveries, 1,000 tonnes	82.4	84.7	72.7	74.3	81.0	83.4	80.4	75.8	86.8	87.3

**PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK MILLION)**

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Net turnover	2	6	3	22	27
Other income	0	10	2	19	12
<b>TOTAL INCOME</b>	<b>2</b>	<b>16</b>	<b>5</b>	<b>41</b>	<b>39</b>
Raw materials and consumables	-	-	-	-8	-8
Other costs	-11	-8	-19	-16	-114
Personnel costs	-5	-8	-9	-15	-24
Depreciation	0	0	0	0	0
<b>TOTAL OPERATING COSTS</b>	<b>-16</b>	<b>-16</b>	<b>-28</b>	<b>-39</b>	<b>-146</b>
<b>OPERATING INCOME</b>	<b>-14</b>	<b>0</b>	<b>-23</b>	<b>2</b>	<b>-107</b>
Profit from participations in group companies	1	-	1	-	16
Financial income, other	0	0	1	2	3
Financial expenses, other	-1	1	-2	-1	-2
<b>Net financial items</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>17</b>
<b>INCOME AFTER NET FINANCIAL ITEMS</b>	<b>-14</b>	<b>1</b>	<b>-23</b>	<b>3</b>	<b>-90</b>
Tax on income for the year	-	0	0	0	-1
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>-14</b>	<b>1</b>	<b>-23</b>	<b>3</b>	<b>-91</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)**

	Apr-jun 2012	Apr-jun 2011	Jan-Jun 2012	Jan-jun 2011	Helår 2011
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>-14</b>	<b>1</b>	<b>-23</b>	<b>3</b>	<b>-91</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-14</b>	<b>1</b>	<b>-23</b>	<b>3</b>	<b>-91</b>

**PARENT COMPANY BALANCE SHEET (SEK MILLION)**

	Jun 2012	Jun 2011	Dec 2011
Intangible fixed assets	3	1	2
Tangible fixed assets	1	1	1
Financial fixed assets	299	372	318
<b>Total fixed assets</b>	<b>303</b>	<b>374</b>	<b>321</b>
Current receivables	708	691	780
Liquid funds	4	28	8
<b>Total current assets</b>	<b>712</b>	<b>719</b>	<b>788</b>
<b>TOTAL ASSETS</b>	<b>1,015</b>	<b>1,093</b>	<b>1,109</b>
Shareholders' equity	935	1,067	973
Current liabilities			
Interest-bearing	63	-	37
Non interest-bearing	17	26	99
<b>Total current liabilities</b>	<b>80</b>	<b>26</b>	<b>136</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,015</b>	<b>1,093</b>	<b>1,109</b>

**SIX YEAR REVIEW**

	Jan-Jun 2012	Jan-Jun 2011	2011	2010	2009	2008	2007
<b>KEY INDICATORS THAT AFFECT TURNOVER</b>							
Pulp price NBSK, USD <sup>1</sup>	839	981	960	930	657	852	794
SEK/USD <sup>2</sup>	6.85	6.38	6.50	7.21	7.65	6.58	6.76
Pulp price NBSK, SEK	5,745	6,252	6,229	6,705	4,989	5,617	5,368
Rottneros' deliveries, tonnes	167,100	164,400	311,400	330,300	376,700	617,900	714,700

**Turnover and income, SEK million**

Net turnover	749	809	1,513	1,684	1,508	2,663	2,927
Profit/loss before depreciation	60	93	4	224	-62	-82	75
Depreciation	-27	-36	-120	-86	-104	-224	-435
Operating profit/loss after depreciation	33	57	-117	138	-166	-306	-360
Net financial items	-1	-1	-3	0	97	-79	-24
Profit/loss after net financial items	32	56	-120	138	-69	-385	-384
Profit/loss after tax	23	40	-144	125	-69	-331	-301

**Balance sheet items, SEK million**

Fixed assets	834	867	841	867	849	1,149	1,123
Inventories	252	273	276	213	215	447	493
Current receivables	262	241	209	259	230	391	572
Liquid funds	35	89	21	155	111	45	121
Shareholders' equity	1,024	1,220	1,014	1,228	1,089	810	1,050
Long-term interest-bearing liabilities	3	8	5	10	57	692	173
Long-term non interest-bearing liabilities	16	1	11	0	1	14	49
Current interest-bearing liabilities	68	4	42	29	44	82	452
Current non interest-bearing liabilities	272	237	275	227	214	434	585
<b>Balance sheet total</b>	<b>1,383</b>	<b>1,470</b>	<b>1,347</b>	<b>1,494</b>	<b>1,405</b>	<b>2,032</b>	<b>2,309</b>

**Financial ratios**

Operating margin, %	4.4	7.0	-7.8	8.2	-11.0	-11.5	-12.3
Profit margin, %	4.3	6.9	-8.0	8.2	-4.6	-14.4	-13.1
Return on capital employed, %	Neg	11.0	Neg	11.6	Neg	Neg	Neg
Return on equity after full tax, %	Neg	8.5	Neg	10.8	Neg	Neg	Neg
Equity/assets ratio, %	74	83	75	82	78	40	45
Debt/equity ratio, Times	0.0	-0.1	0.0	-0.1	0.1	1.0	0.6
Interest cover, Times	13.9	23.9	Neg	26.2	Neg	Neg	Neg

**Other**

Capital expenditure, SEK m	30	42	157	125	10	191	163
Average no. of employees	286	303	298	308	387	667	718

<sup>1</sup> Source: FOEX NBSK PIX.<sup>2</sup> Source: Swedish central bank yearly average.

## ROTTNEROS IN BRIEF

Rottneros has been a supplier of customised and high quality paper pulp since the 1600s.

Around 300 people are employed at Rottneros, which had a turnover of SEK 1.5 billion in 2011.

Rottneros produces market pulp; i.e. paper pulp sold on the open market in contrast to pulp that is produced at mills with integrated paper production.

The Rottneros Group has an annual production capacity of just under 400,000 tonnes of pulp at its two mills in Rottneros and Vallvik.

Vallvik Mill produces two grades of long-fibre sulphate pulp: fully bleached sulphate pulp (ECF – Elemental Chlorine Free) and unbleached sulphate pulp (UKP – Unbleached Kraft Pulp).

Rottneros Mill manufactures CTMP and groundwood pulp, which are mechanical grades of pulp.

### Business concept

Rottneros' business concept is to be an independent and flexible supplier of high-quality, customised pulp. Rottneros adapts its product range to meet the needs and high expectations of customers by continuously developing its products and providing a high level of supply reliability, technical support and service.

### Business model

Rottneros operates in the market for market pulp and is a global supplier of bleached and unbleached long-fibre chemical pulp, together with mechanical CTMP and groundwood pulp.

Pulp is produced at two Swedish pulp mills. Vallvik Mill produces long-fibre chemical bleached sulphate pulp and long-fibre chemical unbleached pulp. Rottneros Mill manufactures mechanical CTMP pulp and groundwood pulp. The mills are independent profit centres and have their own sales organisations.

### Adding value

Rottneros adds value by focusing on segments where the Group's production focus and applications have achieved, or can achieve, a strong position in the market for market pulp. Examples of this include pulp for electrical applications presenting high purity requirements, filters where air permeability is crucial, food packaging where the most important factor is its stiffness, and pulp for thin printing paper with high requirements for opacity where Rottneros is an important supplier.

An essential part of adding value is the effective and rational management of the input goods required for pulp production. Rottneros primarily uses three input goods:

- Timber, which accounts for approximately 38 per cent of our costs.
- Electricity, which accounts for approximately eight per cent of our costs.
- Chemicals, which accounts for around seven per cent of our costs.

In order to achieve security and stability, Rottneros is looking for long-term relationships and contracts with the suppliers of these goods.

### Operative objectives and strategies

Rottneros has a number of overall objectives for its operational activities, which are intended to result in a competitive return for shareholders over a business cycle by creating value and yielding dividends. In order to achieve this objective, the Group needs to create added value for its customers as well as be an attractive employer and competitive producer.

One of our objectives is growth. In order to create a favourable environment for achieving this goal, Rottneros works according to two main strategies:

- Rottneros is looking for development opportunities to strengthen the existing pulp operation through strategic alliances in Sweden and abroad. The Group is also planning to further increase capacity at Vallvik Mill.
- Rottneros is preparing for a possible entry into related activities, where the Group's knowledge of pulp refining is utilised and represents a precondition, and where there are clear synergy effects. One step in this development is that the Group is running projects in cooperation with industrial and financial partners aimed at leading to the production of high-refined biofuel at both mills.

Another objective is for Rottneros to gradually lay the foundation for less volatile movements in the share price over the course of a business cycle by focusing increasingly on more specialised grades of pulp.

*Rottneros, a company that was originally established in the 1600s, 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 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.*

Rottneros AB (publ)  
Box 70 370, SE-107 24 Stockholm, Sweden  
Visiting address: World Trade Center, Kungsbron 1, C6, Stockholm, Sweden  
Telephone +46 (0)8-590 010 00, Fax +46 (0)8-590 010 01  
info@rottneros.com www.rottneros.com