

Rottneros

Interim Report January-March 2011

	Quarter			Full year
	I 2011	IV 2010	I 2010	2010
Net turnover, SEK m	400	402	407	1,684
Income after net financial items, SEK m	19	13	11	138
Earnings per share after net financial items, SEK ¹	0.12	0.08	0.07	0.90
Profit/loss after tax, SEK m	14	8	11	125
Earnings per share after tax, SEK ¹	0.09	0.06	0.07	0.82
Cash flow before investments per share, SEK ¹	-0.16	0.26	0.46	1.33
Cash flow per share, SEK ¹	-0.27	-0.10	0.26	0.51

	31-03-2011	31-12-2010	31-03-2010
Shareholders' equity per share, SEK ¹	8.13	8.05	7.26
Equity/assets ratio, %	83	82	76

¹ 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.

- Profit after net financial items amounted to SEK 19 (11) million for the first quarter of 2011. Operating profit amounted to SEK 21 (7) million for the period.
- The pulp market is strong and prices in USD for chemical pulp increased during the end of the first quarter, although at the same time the Swedish krona strengthened significantly in relation to the US dollar. Further price increases were announced for the start of the second quarter.
- Cash flow from operating activities amounted to SEK -25 (69) million for the first quarter 2011, corresponding to SEK -0.16 (0.46) per share. A significant increase in working capital of a temporary nature had a negative impact on cash flow at the end of the quarter.



Pulp bales produced at Vallvik Mill

CEO's statement

The global pulp market experienced a strong start to the year when buyers from China returned to the market in full force. Rottneros has obviously benefited from this. We are reporting a profit before tax of SEK 19 million for the first quarter, which is an improvement of SEK 6 million compared with the previous quarter and an improvement of SEK 8 million compared with the first quarter of last year.

This winter has been particularly severe, which has had a negative impact on the production outcome for all production lines, and energy consumption has also increased considerably. Swedish energy prices have also rocketed this winter and are now noticeably higher than prices in continental Europe. Furthermore, there has been a sharp increase in the price of oil, which has also had an impact on costs at our mills. The cold weather ended in March and our production rate is once again at the level planned. We are very happy to confirm that Vallvik Mill is coping with the higher level of production for long periods, which resulted from the investments made during the autumn. All that is left now is to obtain approval from the public authorities for this increased level of production, which we are counting on following connection of the investments made during the year primarily in biological water purification.

Rottneros and the entire chemical pulp market raised the list price from USD 950 to 980 per tonne in March, which gradually had an impact on the income statement from April. A further USD 30 per tonne was reported for April and has now also been reported for mechanical CTMP pulp. Price trends for CTMP, fuelled by developments in the Chinese market, were particularly disappointing during the autumn and winter. We have never previously seen price differences as large as these in relation to chemical pulp. The explanation for this is not immediately clear, which makes the future difficult to predict even though things appear to be bright for long-fibre sulphate pulp.

We are continuing our preliminary studies into the preconditions for establishing new bioenergy operations at both of our pulp mills. Vehicle fuel based on forest raw materials appears to be of particular interest for us and our mills. We also submitted very extensive EU funding applications for investments in renewable energy during the quarter. A decision on these matters will not be made until 2012. The rigid adherence of Swedish politicians to decisions concerning the taxation of various forms of energy and fuel has had a significant impact on the decision to invest.

Ole Terland
President and CEO

THE PULP MARKET

Markets and products

The pulp market is strong and prices in USD for chemical pulp had risen by 30 USD/tonne by the end of the first quarter. Further price increases of USD 30 per tonne were forewarned for the start of the second quarter.

Statistics for bleached chemical market pulp for the total global market showed that deliveries for the period January to February 2011 amounted to 6.48 (6.46) million tonnes, which was 0.3% higher than the same period in 2010. Eighty-nine per cent (91% for the same period in 2010) of the global supply capacity for bleached chemical pulp was utilised for the period January to February. An estimated 97% (94%) of production capacity was utilised during the same period.

Global producer stocks of bleached chemical pulp amounted to 3.95 million tonnes at the end of February. Stock has consequently risen by 0.1 million tonnes compared with the beginning of the year. Stock levels were 0.9 million tonnes higher compared with the same time of the previous year.

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

The price was USD 949 per tonne at the beginning of the year and USD 977 per tonne at the end of March. The market for long-fibre chemical pulp is good. Producer stock levels of long-fibre chemical pulp are lower than normal levels, corresponding to 28 days' production.

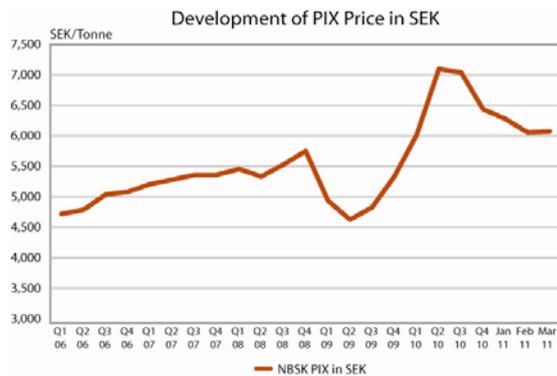
Delivery capacity utilisation for the period January to February 2011 was 93% (92% for the same period in 2010), and production capacity utilisation was around

96%, which remains unchanged compared with the same period of the previous year.

Mechanical pulp and CTMP (produced at Rottneros)

The price of short-fibre CTMP was approximately USD 600-650 per tonne in the Western European market at the beginning of the year. The price subsequently rose by USD 20 to 30 per tonne. Demand for CTMP developed more rapidly than for chemical pulp at the beginning of 2011. Deliveries during January and February rose by 12 per cent compared with the same period of 2010.

Delivery capacity utilisation for the period January to February 2011 was 96% (86%) and production capacity utilisation was 104% (97%).



PRODUCTION AND DELIVERIES

The Group's pulp mills at Rottneros and Vallvik have a combined annual production capacity of almost 400,000 tonnes. Production amounted to 88,500 (81,400) tonnes for the period January to March 2011.

Deliveries amounted to 83,400 (87,300) tonnes for January to March 2011.

PRODUCTION (TONNES)		
	Jan-Mar 2011	Jan-Mar 2010
Sulphate pulp	50,600	46,100
Groundwood pulp	19,300	19,400
CTMP	18,600	15,900
TOTAL	88,500	81,400

DELIVERIES (TONNES)		
	Jan-Mar 2011	Jan-Mar 2010
Sulphate pulp	47,800	51,400
Groundwood pulp	17,800	19,300
CTMP	17,800	16,600
TOTAL	83,400	87,300

Maintenance shutdowns and seasonal variations

A holiday shutdown will take place at Rottneros Mill in July and August, which will be combined with minor annual maintenance work. A maintenance shutdown will also take place at Vallvik Mill during the fourth quarter. All costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. The Rottneros Group is not otherwise affected by seasonal variations to any appreciable extent.

INVOICING AND RESULTS

January to March 2011 compared with January to March 2010

DEVIATION ANALYSIS		
	Jan-Mar 2011	Jan-Mar 2010
NBSK PIX	954	844
SEK/USD	6.49	7.19
NBSK SEK	6,192	6,073
OPERATING INCOME	21	7
Price		47
Currency		-34
Volume		-6
Variable costs		4
Other		3
TOTAL	14	

Group net turnover amounted to SEK 400 (407) million for January to March 2011. The average price of long-fibre sulphate pulp (NBSK) in USD increased by 13% (from USD 844 to USD 954), while the average price of NBSK pulp converted into SEK increased from SEK 6,073 to SEK 6,192 per tonne, an increase of 2%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.58 per kWh for January to March 2011, compared with SEK 0.73 per kWh for the same period of the previous year.

- Group operating profit amounted to SEK 21 (7) million for January to March 2011. Hedging activities realised for the first quarter of 2011 amounted to SEK 13 (3) million.
- Group profit after net financial items amounted to SEK 19 (11) million, which included net financial items of SEK -2 (4) million. Net financial items include financial exchange losses of SEK -2 (6) million.
- Profit after tax amounted to SEK 14 (11) million.
- Earnings per share after tax were SEK 0.09 (0.07).

- Cash flow per share amounted to SEK -0.27 (0.26).

January to March 2011 compared with October to December 2010

DEVIATION ANALYSIS		
	Jan-mar 2011	Okt-dec 2010
NBSK PIX	954	957
SEK/USD	6.49	6.78
NBSK SEK	6,192	6,493
OPERATING INCOME	21	15
Price		4
Currency		-14
Volume		18
Variable costs		-6
Other		4
TOTAL		6

Group net turnover amounted to SEK 400 million during the first quarter of 2011 compared with SEK 402 million in the fourth quarter of 2010. The average price of long-fibre sulphate pulp (NBSK) in USD reduced from USD 957 to USD 954 and the average price for NBSK pulp converted into SEK fell from SEK 6,493 to SEK 6,192 per tonne, a reduction of 5%.

Both production and deliveries were higher than the previous quarter, mainly due to the maintenance shutdown at Vallvik Mill during the fourth quarter of 2010.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.58 per kWh for the period January to March 2011, compared with SEK 0.61 per kWh for the fourth quarter of 2010.

The supply of timber functioned efficiently during the period. However, the cost of Swedish pulpwood had risen by approximately five per cent by the turn of the year.

- Group operating profit amounted to SEK 21 million for the first quarter of 2011, which may be compared with the fourth quarter of 2010 when operating profit amounted to SEK 15 million. Hedging activities realised for the quarter amounted to SEK 13 (27) million.
- Group profit after net financial items amounted to SEK 19 million for the first quarter of 2011, compared with SEK 13 million for the fourth quarter of 2010.

INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 16 (29) million for January to March 2011.
- The Group had liquid funds amounting to SEK 86 million at the end of the first quarter, compared with SEK 155 million at the end of December 2010.
- The Group had total interest-bearing liabilities of SEK 14 million on 31 March 2011 (SEK 39 million on 31 December 2010). Interest-bearing net receivables amounted to SEK 72 million compared with interest-bearing net receivables of SEK 116 million on 31 December 2010.
- In January 2011, Rottneros gave notice terminating the credit facility previously placed with a bank consortium comprising five banks. A new financing agreement amounting to SEK 100 million has been concluded with Danske Bank. This agreement, which entered into force on 31 January 2011, has no covenants, e.g. regarding financial key ratios, capital expenditures or dividends. This entails a significant increase in the company's operational capacity to act. Furthermore, the costs associated with the new agreement are significantly lower. Rottneros repaid the entire outstanding loan of SEK 28 million in conjunction with the new agreement entering into force.
- Approved but unutilised credit facilities amounted to SEK 100 million in total on 31 March 2011.
- The equity/assets ratio amounted to 83% on 31 March 2011, which is one percentage point higher than on 31 December 2010.
- Equity per share amounted to SEK 8.13 (SEK 8.05 on 31 December 2010).

CASH FLOW

- Cash flow from operating activities before investments amounted to SEK -25 (69) million for January to March 2011 and included cash flow of SEK 13 (4) million from financial hedging. A significant increase in working capital had a negative effect on cash flow at the end of the quarter. This temporary increase in working capital was mainly due to a higher stock of timber and pulp and higher accounts receivable. The working capital tie-up is expected to normalise during the second quarter of 2011.
- Cash flow after investing activities was SEK -41 (40) million.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 307 (322) for January to March 2011.

TAX

Deferred tax assets amounted to SEK 79 million on 31 March 2011, which is a reduction of SEK 3 million compared with 31 December 2010. The carry forward of deductions for unutilised losses together with other temporary differences amount to approximately SEK 300 million. There was no carry forward of deductions for which deferred tax assets have not been recorded.

PARENT COMPANY

The parent company's profit after net financial items amounted to SEK 2 (-5) million for January to March 2011. All pulp invoicing within the Group was centralised at the parent company up until 30 November 2010, which had served as a distributor for all of the mills and had been receiving sales commission for this service at normal rates. The respective mills have been responsible for invoicing and distribution from 1 December 2010. The profit after net financial items includes hedging activities realised for the entire Group, which affected the result by SEK 13 (3) million.

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

SHARE INFORMATION

NUMBER OF SHARES	
	31 March 2011
Registered number of shares	153,393,890
- of which treasury shares	821,965

Share price



LARGEST SHAREHOLDERS AT 31 MARCH 2011

Shareholder	Number of shares (=votes)	Percentage of capital
Nemus Holding AB	30,857,435	20.1
Skagen Verkst Verdipapirfond	12,119,718	7.9
Danske Bank A/S	6,451,273	4.2
DNB NOR Bank ASA Sverige	6,451,273	4.2
HSH Nordbank AG	5,599,860	3.6
Aliz Invest AB	5,010,000	3.3
Robur Försäkring	4,731,184	3.1
Nordea Bank AB	3,500,521	2.3
BBVA Ireland P.L.C	2,323,139	1.5
NTC GIC Govt of Singapore Inv Corp	2,059,279	1.3
Total holdings of 10 largest shareholders	79,103,682	51.5
Rottneros AB (treasury stock from buy-back)	821,965	0.5
Other shareholders	73,468,243	48.0
TOTAL	153,393,890	100.0

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 2010 authorised the Board to take 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 closely related parties

There have been no transactions between Rottneros and related parties that materially affect the company's financial position and performance.

Dividend for 2010

The Board proposed at the AGM on 19 April 2011 that a dividend of SEK 0.20 be distributed per share. The record day proposed for the right to dividends is 26 April 2011.

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 to moderate 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 price of pulp, timber and electricity.

Profit/loss after financial items

Group	2011		2010		
	I	IV	III	II	I Full year
Profit/loss after financial items	19	13	64	50	138
Whereof:					
Currency hedges	7	24	13	0	3
Pulp price hedges	-	-	-	-	-
Electricity hedges	6	3	-	-	3
Total hedges	13	27	13	0	43
Green electricity	6	5	8	6	27

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the main underlying currency for pulp prices is predominantly USD. Around 20% 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 40%. 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 10% lower for the period January to March 2011 compared with the same period of the previous year, amounting to an average of SEK 6.49/USD for the period compared with SEK 7.19/USD in the previous year. The impact on turnover of a lower average exchange rate for USD in relation to SEK for the first quarter of 2011 amounted to SEK -34 million compared with the same period in 2010.

At the end of March 2011, currencies were hedged in the form of forward contracts concluded for USD 14 million at an average rate of SEK 6.73/USD, and EUR 1 million at an average rate of SEK 9.00/EUR for deliveries made in 2011.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in local currencies. Pulp prices had not been hedged at the end of March.

Electricity

All physical electricity for the Swedish mills is purchased directly via the Nord Pool power exchange. Electricity prices are listed in EUR. Average prices in EUR/MWh are shown below, with average prices in SEK/kWh (based on EUR forward rates as of 31 March 2011) in brackets. Seventy per cent of electricity consumption for 2011 was hedged at an average rate of 48.7 EUR/MWh (just over SEK 0.44 per kWh) at the end of March 2011. Furthermore, 28 per cent of electricity consumption for 2012 was hedged at an average rate of 47.5 EUR/MWh (SEK 0.43 per kWh) and 42 per cent of electricity consumption for 2013 was hedged at an average rate of 45.4 EUR/MWh (almost SEK 0.42 per kWh). The average price level for electricity on the Nord Pool exchange amounted to SEK 0.58 per kWh for January to March 2011.

See pages 26 to 30 of the Annual Report 2010 for further information on risk.

MARKET VALUE (SEK million) MARCH 2011

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 31 March 2011
Currency USD, forward	USD 14 m	6.73 SEK/USD	6	6.34 SEK/USD
Currency EUR, forward	EUR 1 m	9.00 SEK/EUR	0	8.93 SEK/EUR
Electricity	382,108 MWh	SEK 0.431/kWh	16	SEK 0.565/kWh
Total market value			22	

MARKET VALUE (SEK million) MARCH 2010

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 31 March 2010
Currency USD, forward	USD 9 m	7.24 SEK/USD	0	7.22 SEK/USD
Currency EUR, forward	EUR 23 m	10.42 SEK/EUR	15	9.76 SEK/EUR
Total market value			15	

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 31 March 2011. The reference value refers to the spot rate on 31 March and is provided as supplementary information. Hedged currency expires in 2011. 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' as well as 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 for the last Annual Report, except for amendments to the existing standard IAS 24, which entered into force on 1 January 2011. Revised IAS 24 'Related Party Disclosures' clarifies and simplifies the definition of a 'related party'. Rottneros has applied the revised standard with effect from 1 January 2011, but the amended accounting principle has not yet had any effect on recognised amounts.

OUTLOOK FOR 2011

The Company is not providing an earnings forecast for 2011.

To facilitate external analytical work the operating profit/loss for the year can be estimated to amount to approximately SEK 100 million before write-downs and provisions, if any. This result is based on current pulp prices, a SEK/USD rate of 6.25, unchanged timber and electricity prices together with the production volume planned.

FORTHCOMING FINANCIAL INFORMATION

20 July 2011	Interim Report January-June 2011
20 October 2011	Interim Report January-Sept 2011
27 January 2012	Year-end Release for 2011

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

Stockholm, 19 April 2011

Ole Terland
President and Chief Executive Officer

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

President Ole Terland and CFO Tomas Hedström will be available on tel. +46 565 166 61 on 19 April between 08.15 and 09.00.

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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 19 April 2011 at 08.00. 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

CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jan-Mar 2011	Jan-Mar 2010	Full year 2010
Net turnover	400	407	1,684
Change in inventories, finished goods	20	-10	-25
Other income	24	38	121
TOTAL INCOME	444	435	1,780
Raw materials and consumables	-264	-252	-961
Other costs	-91	-91	-393
Personnel costs	-50	-52	-202
Depreciation/amortisation and write-downs	-18	-33	-86
TOTAL OPERATING COSTS	-423	-428	-1,642
OPERATING INCOME	21	7	138
Financial income	1	6	6
Financial expenses	-3	-2	-6
Net financial items	-2	4	0
INCOME AFTER NET FINANCIAL ITEMS	19	11	138
Tax on income for the year	-5	0	-13
NET PROFIT/LOSS AFTER TAX	14	11	125
Earnings after tax/share (SEK) ²	0.09	0.07	0.82

¹ Profit after tax per share, after dilution, is the same as the profit after tax per share. The comparative figures have been adjusted for the reverse split of shares implemented during April 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jan-Mar 2011	Jan-Mar 2010	Full year 2010
NET PROFIT/LOSS AFTER TAX	14	11	125
Other comprehensive income			
Cash-flow hedging, income before tax	-3	10	20
Cash-flow hedging, tax effect	1	-3	-5
Exchange rate differences	0	0	-2
Reclassification adjustment ³	0	-	1
TOTAL OTHER COMPREHENSIVE INCOME	-2	7	14
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12	18	139

KEY INDICATORS THAT AFFECT TURNOVER

Pulp price NBSK, USD ¹	954	844	930
USD/SEK ²	6.49	7.19	7.21
Pulp price NBSK, SEK	6,192	6,073	6,705
Rottneros' deliveries, tonnes	83,400	87,300	330,300

¹ Source: PIX/Market Pulse.

² Source: Swedish central bank yearly average.

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

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Mar 2011	Mar 2010	Dec 2010
Intangible fixed assets	2	3	2
Tangible fixed assets	718	678	720
Financial fixed assets	141	167	145
Total fixed assets	861	848	867
Inventories	248	200	213
Current receivables	300	268	259
Liquid funds	86	141	155
Total current assets	634	609	627
TOTAL ASSETS	1,495	1,457	1,494
Shareholders' equity	1,240	1,107	1,228
Longterm liabilities			
Interest-bearing	9	50	10
Non interest-bearing	0	1	0
Total longterm liabilities	9	51	10
Current liabilities			
Interest-bearing	5	37	29
Non interest-bearing	241	262	227
Total current liabilities	246	299	256
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,495	1,457	1,494

CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Mar 2011	Jan-Mar 2010	Full year 2010
Operating income	21	7	138
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	18	33	86
Profit/loss from disposal of fixed assets	-	-10	-21
Other non cash-flow items	0	1	4
	39	31	207
Paid financial items	0	-2	-5
Received/paid taxes	-2	0	2
Cash-flow from current operations before change in working capital	37	29	204
Change in working capital	-62	40	-2
Cash-flow from current operations	-25	69	202
Acquisition of fixed assets	-16	-29	-125
Sale of fixed assets	-	10	22
Change in long-term receivables	-	-10	-5
Cash-flow from investing activities	-16	-29	-108
Proceeds from the issue of shares	-	-	1
Repayment of loans	-28	-10	-51
Cash-flow from financing activities	-28	-10	-50
Cash-flow for the year	-69	30	44
Liquid funds at beginning of year	155	111	111
Cash-flow for the year	-69	30	44
Translation difference in liquid funds	0	0	0
Liquid funds at end of year	86	141	155

SHARE DATA¹

		Jan-Mar 2011	Jan-Mar 2010	2010	2009	2008	2007	2006
Shares, opening ²	No.	152,572	1,525,719	1,525,719	180,212	180,212	180,212	180,212
Shares issued ²	No.	-	-	0	1,345,507	-	-	-
No. of company's own shares bought back ²	No.	-	-	-1,373,147	-	-	-	-
Repurchased treasury shares ²	No.	-	-	-	-	-	-	-
Shares closing ²	No.	152,572	1,525,719	152,572	1,525,719	180,212	180,212	180,212
Average number of shares ²	No.	152,572	152,572	152,572	26,884	18,021	18,021	18,021
Operating profit or loss/share ^{2,5}	SEK	0.14	0.04	0.90	-6.18	-16.95	-19.99	-0.43
Earnings after net financial items/share ⁵	SEK	0.12	0.07	0.90	-2.58	-21.33	-21.30	-1.29
Earnings after tax/share ⁵	SEK	0.09	0.07	0.82	-2.59	-18.35	-16.69	-0.45
Operating cash flow/share ^{3,5}	SEK	-0.27	0.26	0.51	2.74	-13.34	-5.59	1.93
Equity/share ⁵	SEK	8.13	7.26	8.05	7.14	44.96	58.29	77.83
Dividend ^{5,6}	SEK	-	-	0.20	-	-	-	1.00
Dividend/equity/share ⁶	%	-	-	2.5	-	-	-	1.3
Share price at end of period ⁵	SEK	5.05	8.40	4.37	6.90	10.50	23.10	65.50
Share price/equity/share	Times	0.6	1.2	0.5	1.0	0.2	0.4	0.8
P/E ratio/share	Times	13.7	28.2	5.3	Neg	Neg	Neg	Neg
Direct yield ^{4,6}	%	-	-	4.6	-	-	-	1.5

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.

⁶ For 2010 proposed dividend is used.

KEY RATIOS EIGHT QUARTERS

	2011				2010				2009	
	I	IV	III	II	I	IV	III	II		
Net turnover, SEK m	400	402	413	462	407	363	345	367		
Return on equity after full tax, %	10.4	10.8	10.1	9.2	5.2	Neg	Neg	Neg		
Return on capital employed, %	11.9	11.6	10.7	9.5	6.1	Neg	Neg	Neg		
Equity/assets ratio, %	83	82	81	78	76	78	50	43		
Equity/share, SEK ¹	8.13	8.05	8.03	7.59	7.26	7.14	37.97	35.48		
Earnings after tax/share, SEK ¹	0.09	0.06	0.37	0.32	0.07	-0.01	2.38	0.15		
Operating cash flow/share, SEK ¹	-0.27	-0.10	0.07	0.28	0.26	-0.08	2.80	0.58		
Operating margin, %	5.20	3.52	16.71	10.32	1.68	1.50	-20.27	2.29		

¹ 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.

CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Mar 2011	Jan-Mar 2010	Full year 2010
Opening shareholders' equity	1,228	1,089	1,089
Total comprehensive income for the period	12	18	139
Issue of new shares	-	-	0
Closing shareholders' equity	1,240	1,107	1,228

QUARTERLY DATA (SEK MILLION)

	2011				2010				2009	
	I	IV	III	II	I	IV	III	II	I	
Net turnover	400	402	413	462	407	363	345	367	433	
Operating profit/loss before depreciation	39	35	88	61	40	32	-45	31	-80	
Depreciation/amortisation and write-downs	-18	-20	-20	-13	-33	-26	-25	-23	-30	
Operating profit/loss	21	15	68	48	7	6	-70	8	-110	
Net financial items	-2	-2	-4	2	4	-6	113	-5	-5	
Profit/loss after financial items	19	13	64	50	11	0	43	3	-115	
Tax	-5	-5	-8	0	0	0	0	0	0	
Profit/loss after tax	14	8	56	50	11	0	43	3	-115	
Pulp production, 1,000 tonnes	88.5	75.0	82.6	84.0	81.4	86.7	70.9	88.8	89.5	
Pulp deliveries, 1,000 tonnes	83.4	80.4	75.8	86.8	87.3	81.9	89.7	99.4	105.7	

PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK MILLION)			
	Jan-Mar 2011	Jan-Mar 2010	Full year 2010
Net turnover	16	405	1,533
Other income	9	10	70
TOTAL INCOME	25	415	1,603
Raw materials and consumables	-8	-400	-1,512
Other costs	-8	-18	-64
Personnel costs	-7	-8	-25
Depreciation	0	-1	-2
TOTAL OPERATING COSTS	-23	-427	-1,603
OPERATING INCOME	2	-12	0
Financial income	2	8	32
Financial expenses	-2	-1	-6
Net financial items	0	7	26
INCOME AFTER NET FINANCIAL ITEMS	2	-5	26
Tax on income for the year	0	-	-20
NET PROFIT/LOSS AFTER TAX	2	-5	6

PARENT COMPANY BALANCE SHEET (SEK MILLION)			
	Mar 2011	Mar 2010	Dec 2010
Intangible fixed assets	1	1	-
Tangible fixed assets	1	1	1
Financial fixed assets	372	392	373
Total fixed assets	374	394	374
Current receivables	720	833	707
Liquid funds	34	2	79
Total current assets	754	835	786
TOTAL ASSETS	1,128	1,229	1,160
Shareholders' equity	1,097	928	1,095
Longterm liabilities			
Interest-bearing	-	36	-
Total longterm liabilities	-	36	-
Current liabilities			
Interest-bearing	-	32	25
Non interest-bearing	31	233	40
Total current liabilities	31	265	65
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,128	1,229	1,160

SIX YEAR REVIEW

	Jan-Mar 2011	Jan-Mar 2010	2010	2009	2008	2007	2006
KEY INDICATORS THAT AFFECT TURNOVER							
Pulp price NBSK, USD ¹	954	844	930	657	852	794	675
USD/SEK ²	6.49	7.19	7.21	7.65	6.58	6.76	7.37
Pulp price NBSK, SEK	6,192	6,073	6,705	4,989	5,617	5,368	4,977
Rottneros' deliveries, tonnes	83,400	87,300	330,300	376,700	617,900	714,700	699,500

Turnover and income, SEK million

Net turnover	400	407	1,684	1,508	2,663	2,927	2,690
Profit/loss before depreciation	39	40	224	-62	-82	75	148
Depreciation	-18	-33	-86	-104	-224	-435	-155
Operating profit/loss after depreciation	21	7	138	-166	-306	-360	-7
Net financial items	-2	4	0	97	-79	-24	-16
Profit/loss after net financial items	19	11	138	-69	-385	-384	-23
Profit/loss after tax	14	11	125	-69	-331	-301	-8

Balance sheet items, SEK million

Fixed assets	861	848	867	849	1,149	1,123	1,363
Inventories	248	200	213	215	447	493	397
Current receivables	300	268	259	230	391	572	570
Liquid funds	86	141	155	111	45	121	122
Shareholders' equity	1,240	1,107	1,228	1,089	810	1,050	1,403
Long-term interest-bearing liabilities	9	50	10	57	692	173	177
Long-term non interest-bearing liabilities	0	1	0	1	14	49	85
Current interest-bearing liabilities	5	37	29	44	82	452	304
Current non interest-bearing liabilities	241	262	227	214	434	585	483
Balance sheet total	1,495	1,457	1,494	1,405	2,032	2,309	2,452

Financial ratios

Operating margin, %	5.2	1.7	8.2	-11.0	-11.5	-12.3	-0.3
Profit margin, %	4.7	2.8	8.2	-4.6	-14.4	-13.1	-0.9
Return on capital employed, %	11.9	6.1	11.6	Neg	Neg	Neg	Neg
Return on equity after full tax, %	10.4	5.2	10.8	Neg	Neg	Neg	Neg
Equity/assets ratio, %	83	76	82	78	40	45	57
Debt/equity ratio, Times	-0.1	0.1	-0.1	0.1	1.0	0.6	0.3
Interest cover, Times	25.2	9.0	26.2	Neg	Neg	Neg	Neg

Other

Capital expenditure, SEK m	16	29	125	10	191	163	113
Average no. of employees	307	322	308	387	667	718	754

¹ Source: PIX/Market Pulse.² Source: Swedish central bank yearly average.

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.

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