

## The Rottneros Group Interim Report January–March 2010

- The result after net financial items for the first quarter of 2010 amounted to SEK 11 (-115) million. The operating result for the first quarter amounted to SEK 7 (-110) million.
- The high price of electricity had a strong impact during the first few months of the year. Besides increasing the cost of electricity, the high price of energy also resulted in production stoppages with ensuing stoppage costs. Problems in the Swedish energy market had a negative impact on the overall result by approximately SEK 30 million.
- The cash flow from operating activities amounted to SEK 69 (29) million in the first quarter of 2010.
- On 22 January, Kjell Ormegard was appointed Chair of the Board up to and including the AGM in April 2010.
- In February, the Board of Rottneros approved an investment of SEK 45 million in a soda boiler at Vallvik Mill. This investment is a second step in the environmental and energy improvement measures being taken at Vallvik Mill.
- In February, Rottneros concluded an agreement with the Swiss packaging company SIG Combibloc regarding the transfer of intangible assets, primarily in the form of patents and patent applications, from Rottneros' subsidiary Rottneros Packaging AB. Rottneros Packaging's operation relating to food trays under the SilviPak brand does not form part of this agreement.
- As at 31 March 2010, an interest-bearing net receivable of SEK 54 million was reported compared with SEK 10 million at the beginning of the year.
- The pulp market remains strong, with a high level of demand. Global pulp stocks have remained at low levels. Further price increases have been announced for April and May 2010.
- The company is not providing a forecast for the full year 2010.

JANUARY-MARCH	2010	2009
Net turnover, SEK m	407	433
Income after net financial items, SEK m	11	-115
Earnings per share after net financial items, SEK	0.01	-0.64
Profit/loss after tax, SEK m	11	-115
Earnings per share after tax, SEK	0.01	-0.64
Cash flow per share, SEK	0.03	0.09
	31-03-2010	31-12-2009
Shareholders' equity per share, SEK	0.73	0.71
Equity/assets ratio, %	76	78



Vallvik Mill and its soda boiler and digester

## Rottneros in brief

*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.*

### SIGNIFICANT EVENTS

#### New Chair of the Board

On 22 January 2010, the Board of Rottneros AB appointed board member Kjell Ormegard to chair the Board of Rottneros up to and including the AGM in April 2010. This change was brought about by former chair Rune Ingvarsson asking to resign from the Board of Rottneros with immediate effect for personal reasons.

#### Rottneros investing in Vallvik

On 2 February 2010, the Board of Rottneros approved an investment of SEK 45 million in the soda boiler at Vallvik Mill. This investment is a second step in the environmental and energy improvement measures that were previously communicated. Improving the soda boiler will in turn increase its incineration capacity, which will increase Vallvik's production of bioenergy. Installation is scheduled for the fourth quarter of 2010 in conjunction with the annual maintenance shutdown.

#### Transfer agreement concluded

In February 2010, Rottneros concluded an agreement with the Swiss packaging company SIG Combibloc regarding the transfer of intangible assets, primarily in the form of patents and patent applications, from Rottneros' subsidiary Rottneros Packaging AB. Rottneros Packaging's operation relating to food trays under the SilviPak brand does not form part of this agreement. The transaction will have a minor impact on Rottneros' income statement and a positive impact on the Group's cash flow.

#### New Chief Financial Officer

Tomas Hedström was appointed as CFO for Rottneros AB starting 1 May 2010. Tomas Hedström was most recently employed by the SCA Group, where he was in charge of the Group's accounting staff. Tomas Hedström will

replace Karl Ove Grönqvist, who decided to leave Rottneros to take up another position as CFO.

### THE PULP MARKET

#### Market and products

There has been a strong demand for all grades of pulp, and global pulp deliveries showed positive growth at the start of the year. The market has been characterised by a good balance, which has enabled pulp price increases. There have also been disruptions to the supply of pulp, mainly due to significant production capacity in Chile being shut down on account of the earthquake in February.

The USD pulp price rose at the beginning of the year. Further price increases were announced during the second quarter of 2010. Statistics for the total global market for bleached chemical market pulp showed that deliveries for the period January to February 2010 amounted to 6.4 (5.8) million tonnes, which was 10.3% higher than the same period in 2009. Ninety-one per cent (84% for the same period in 2009) of the global supply capacity for bleached chemical pulp was used for the period January to February. An estimated 93% (86%) of production capacity was utilised for the same period.

The average price of bleached long-fibre chemical pulp during the first quarter of 2010 amounted to USD 844 per tonne (USD 595 per tonne), an increase of 42%. The price of long-fibre chemical pulp (NBSK) at the end of March 2010 was USD 889, an increase of 11% from the beginning of the year when the price was USD 799.

The price of short-fibre chemical pulp increased from USD 700 at the beginning of the year to USD 789 at the end of March, an increase of 13%.

Global producer stocks of bleached chemical pulp amounted to 2.8 million tonnes in early 2010 and were estimated at 3.0 million tonnes at the end of February.

### Long-fibre chemical pulp (NBSK) (produced in Vallvik)

The price was USD 799 per tonne at the beginning of the year and USD 889 at the end of March. The market for long-fibre chemical pulp is strong. The level of producer stocks of pulp remains low.

Delivery capacity utilisation for the period January to February 2010 was 93% (84% for the same period in 2009), and production capacity utilisation was around 96% (85%).

### Mechanical pulp and CTMP (produced in Rottneros)

The price of short-fibre CTMP was around USD 600 per tonne in the Western European market at the start of the year. The price and demand for CTMP grew more slowly at the start of the year compared with chemical pulp. A recovery materialised toward the end of the first quarter and in April.

Delivery capacity utilisation for the period January to February was 86% (74%) and production capacity utilisation was 97% (66%).

### PRODUCTION AND DELIVERIES

The Group's pulp mills in Rottneros and Vallvik have a combined production capacity of almost 400,000 tonnes per year. In 2009, a production level of 335,900 tonnes was achieved for the full year. Weak demand at the start of 2009 resulted in production restrictions of around 65,000 tonnes.

The level of production during the period January to March 2010 was lower than compared with the same period of the previous year and amounted to 81,400 (89,500) tonnes. The first quarter of 2009 included 11,100 tonnes that related to production at Rockhammar Mill, which has now been disposed of. The high price of electricity at the beginning of the year meant production disruptions and shutdowns corresponding to 6,000 tonnes at Rottneros Mill during the first quarter of 2010. During the first quarter of 2009, Group production was restricted by approximately 50,000 tonnes as a consequence of weak demand. Shutdowns for annual maintenance work will take place in the third quarter for Rottneros Mill and in the fourth quarter for Vallvik Mill. All costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place.

Deliveries during the first quarter of 2010 amounted to 87,300 (105,700) tonnes, corresponding to a reduction of 17%.

PRODUCTION (TONNES)		
	Jan-Mar 2010	Jan-Mar 2009
Sulphate pulp	46,100	47,100
Groundwood pulp	19,400	19,300
CTMP	15,900	23,100
<b>TOTAL</b>	<b>81,400</b>	<b>89,500</b>

DELIVERIES (TONNES)		
	Jan-Mar 2010	Jan-Mar 2009
Sulphate pulp	51,400	60,400
Groundwood pulp	19,300	22,800
CTMP	16,600	22,500
<b>TOTAL</b>	<b>87,300</b>	<b>105,700</b>

### INVOICED SALES AND RESULTS

#### January to March 2010 compared with January to March 2009

The Group generated a net turnover of SEK 407 (433) million for the period January to March 2010.

The turnover for January to March 2010 was SEK 26 million less than for the corresponding period of the previous year. The main factors affecting turnover include: lower delivery levels, SEK -75 million; a weaker USD, SEK -69 million; higher pulp prices in USD, SEK 120 million; and other changes, SEK -2 million. The lower delivery levels are mainly the result of the sale of Rockhammar Mill and the closure of Rottneros Miranda in Spain.

The average price in USD of long-fibre sulphate pulp (NBSK) increased by 42% – from USD 595 to USD 844 – while the average price of NBSK pulp converted into SEK increased from SEK 4,997 to SEK 6,073 per tonne, an increase of 22%. The average price in USD of eucalyptus pulp (BEK) increased from USD 536 to USD 748 per tonne, or by 40%, while the corresponding average price converted into SEK rose from SEK 4,506 to SEK 5,380 per tonne, an increase of 19%.

As a result of the high price of electricity during the quarter, Rottneros Mill periodically stopped production, which had a strong negative impact on the results. The problems associated with the Swedish electricity market, including sharp increases in energy costs resulting in production stoppages, negatively affected the quarterly earnings by approximately SEK 30 million. The price of pulp in USD showed an increasing trend during the entire first quarter and further price increases have been announced. The stronger market and improved prices have created the necessary preconditions for profitability at the Group's pulp mills.

The average price of electricity on the Nord Pool exchange amounted to SEK 0.73 per kWh for the period January to March 2010, compared to SEK 0.42 per kWh for the same period of 2009. There is some uncertainty about the price trend for electricity. Electricity on Nord Pool will be traded at the current rate of SEK 0.40-0.45 per kWh for the remainder of 2010. For 2011 and beyond, electricity will be traded on Nord Pool at around SEK 0.40 - 0.41 per kWh.

The wood supply was reliable during the period. The cost of pulpwood increased during the first quarter of 2010 and a price increase of SEK 30 per m<sup>3</sup> was announced with effect from 1 April. The Group's operating result for the period January to March 2010 amounted to SEK 7 (-110) million.

Hedging activities realised during the first quarter of 2010 resulted in a gain of SEK 3 (3) million.

The Group's result after net financial items amounted to SEK 11 (-115) million, including net financial items totalling SEK 4 (5) million. Net financial items include financial exchange gains of SEK 6 (8) million. These amounts were largely countered by operating exchange losses on accounts receivable. Profit/loss after tax was SEK 11 (-115) million. Earnings per share after tax amounted to SEK 0.01 (-0.64). Cash flow per share was SEK 0.03 (0.09).

Profit/loss after financial items						
Group	2010		2009			Full year
	I	IV	III	II	I	
<b>Profit/loss after financial items</b>	<b>11</b>	<b>0</b>	<b>43</b>	<b>3</b>	<b>-115</b>	<b>-69</b>
Whereof:						
Currency hedges	3	-1	-1	-1	-2	-5
Pulp price hedges	-	-	-4	4	3	3
Electricity hedges	-	2	1	1	2	6
<b>Total hedges</b>	<b>3</b>	<b>1</b>	<b>-4</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>IAS 39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Green electricity</b>	<b>8</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>36</b>

### January to March 2010 compared with October to December 2009

The Group's net turnover increased to SEK 407 million in the first quarter of 2010, compared with SEK 363 million in the fourth quarter of 2009. This increase in turnover is mainly due to: higher delivery levels, SEK 24 million; a stronger USD, SEK 11 million; higher pulp prices in USD, SEK 36 million; and other changes, SEK -27 million.

The average price in USD of long-fibre sulphate pulp (NBSK) increased from USD 770 to USD 844 and the average price for NBSK pulp converted into SEK increased from SEK 5,396 to SEK 6,073 per tonne, an increase of 13%. The average price in USD of

eucalyptus pulp (BEK) increased from USD 667 to USD 748 per tonne, while the corresponding average prices converted into SEK increased from SEK 4,675 to SEK 5,380 per tonne, an increase of 15%.

The Group posted an operating profit of SEK 7 million for the first quarter of 2010, which can be compared to the fourth quarter of 2009, when its operating profit amounted to SEK 6 million. Hedging activities realised during the quarter resulted in a gain of SEK 3 (1) million. The Group's profit after net financial items for the first quarter of 2010 amounted to SEK 11 million, compared with SEK 0 million for the fourth quarter of 2009.

### PARENT COMPANY

The result after net financial items for the period January to March 2010 amounted to a loss of SEK 5 (-5) million. All pulp invoicing within the Group has been centralised to the parent company, which serves as a distributor for all of the mills and receives sales commission for this at normal rates. The notes relating to Group sales therefore also apply to the parent company's sales. The result includes realised hedging transactions for the entire Group, which resulted in a gain of SEK 3 (3) million.

The parent company's balance sheet and income statement are provided on pages 11 and 12.

### THE SOUTH AFRICA PROJECT

The intention is for Rottneros to be the largest shareholder in Pulp United, a company in South Africa that is planning to build a CTMP mill based on using eucalyptus wood as a raw material. The project is now in its final phase and the remaining main issues are financing and contracts, primarily with project partners NCT Forestry Products, Swedfund and the South African development bank (IDC).

### 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 1.1, Supplementary Accounting Rules for Groups, as well as RFR 2.1, Accounting for Legal Entities, which are applied in respect of the parent company.

Rottneros AB owns 100 per cent of the shares in the Spanish company Rottneros Miranda S.A. Up until 31 March 2009, this company was included in the consolidated accounts for Rottneros and was consolidated according to the acquisition method

described in IFRS 3, Business Combinations, and IAS 27, Consolidated and Separate Financial Statements. In April 2009, Rottneros Miranda S.A. became the subject of restructuring proceedings in accordance with Spanish insolvency legislation. In conjunction with this, Rottneros AB no longer controls Rottneros Miranda S.A., as the parent company has lost the right to design the subsidiary's financial and operating strategies so as to financially benefit from its activities. As of this point in time, the shares in Rottneros Miranda S.A. are instead reported as a financial asset that can be sold in accordance with IAS 39, Financial Instruments: Recognition and Measurement. This means that the shares are measured at fair value and any change in value is recognised in comprehensive income.

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

## RISK MANAGEMENT

With respect to its operations, the company's work involves a number of measures and strategies, such as focusing on niches and various specific customer segments, in an attempt to reduce the Group's dependency on market pulp list prices and to reduce fluctuations in profitability over a business cycle. In order to supplement its operational strategy, the Group also has a strategy for dealing with financial risk. Rottneros is aiming to stabilise the Group's volatile earnings trend by managing this risk in a more advanced way. The factors that have the greatest impact on Group earnings are associated with exchange rates and the price of pulp, wood and electricity.

## USD

It is possible to hedge the real flow in USD, which is estimated at just over 40% of the total inflow. Although Rottneros issues invoices in different currencies, the underlying currency for pulp prices is mainly USD. Around 20% of turnover is contracted in EUR. Some of these sales were hedged for 2010. This means that the underlying exposure to USD is 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. Lower or higher pulp prices in local currencies as a result of changes to the USD rate do not have an immediate impact on earnings.

The average USD exchange rate was 14% lower during the first quarter of 2010 compared with the

corresponding period of 2009, amounting to an average of 7.19 for the period compared to 8.40 in the previous year. The impact on turnover of a lower average exchange rate for USD in relation to SEK during the first quarter of 2010 amounted to SEK -69 million compared to the same period in 2009.

At the end of March 2010, currencies were hedged in the form of forward contracts concluded for EUR 23 million at a rate of SEK 10.42/EUR, and USD 9 million at a rate of SEK 7.24/USD for deliveries made in 2010.

### 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
<b>Total market value</b>			<b>15</b>	

### MARKET VALUE (SEK million) MARCH 2009

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 31 March 2009
Currency EUR, forward	USD 6 m	9.99 SEK/EUR	-6	10.98 SEK/EUR
Pulp price	24,000 tonnes	628 USD (PIX)	9	USD 577/8.33 SEK/USD
Electricity	33,005 MWh	SEK 0.251/kWh	4	SEK 0.403/kWh
<b>Total market value</b>			<b>7</b>	

## Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in local currencies. Pulp prices are not hedged for 2010.

## Electricity

Electricity prices are not hedged for 2010. The average price level of electricity on the Nord Pool exchange was SEK 0.73 per kWh during the period January to March 2010.

For further information on risk, see pages 29 to 32 of the 2009 Annual Report.

The table above shows the market value of all of the hedging contracts. The amounts are assessed by independent parties and represent the liquidation value, i.e. an assessment made in accordance with the forward contract as at 31 March 2010. The reference value is the spot rate on 31 March and is provided as supplementary information. Hedging expires in 2010. 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.

## SALE OF TREASURY SHARES

The Annual General Meeting held in 2009 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 took place during the year.

## INVESTMENTS AND FINANCIAL POSITION

The Group's investments in fixed assets totalled SEK 29 (12) million for the period January to March 2010.

The Group's cash and cash equivalents amounted to SEK 141 million at the end of the quarter, compared with SEK 111 million at the end of 2009. On 31 March 2010, the Group had interest-bearing liabilities amounting to SEK 87 million (SEK 101 million as at 31 December 2009) and an interest-bearing net receivable of SEK 54 million to be compared with an interest-bearing net receivable of SEK 10 million as at 31 December 2009. Approved but unutilised lines of credit totalled SEK 115 million on 31 March 2010. On 31 March 2010, the equity/assets ratio was 76% compared to 78% on 31 December 2009. Equity per share amounted to SEK 0.73 (SEK 0.71 on 31 December 2009).

## CASH FLOW

Cash flow from operating activities before investments amounted to SEK 69 (29) million in the first quarter of 2010 and included cash flow of SEK 4 (2) million from financial hedging. The cash flow after investing activities amounted to SEK 40 (17) million.

## AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 322 (645) during the period January to March 2010.

## OUTLOOK FOR 2010

The pulp market was strong at the start of 2010, with rising prices and increasing deliveries compared with the previous year. There is a good balance between supply and demand and the level of pulp stocks among producers is low. This has made it possible to increase pulp prices, and the price index has risen from the lowest levels of approx. USD 580 per tonne in March and April 2009 to around USD 889 per tonne in March 2010. Price increases in USD in 2010 had a corresponding impact on the pulp price in SEK. At the start of 2010, the result for the Group was strongly affected by problems in the Swedish electricity market. Events in the first quarter of 2010 show that the Swedish power supply is not working satisfactorily. There was some stabilisation in March, but it is still uncertain as to how the price of electricity will develop over the year. The pulp market is expected to continue to show good growth and the current balance between supply and demand will allow further pulp price increases to be implemented in the second quarter of 2010. At the same time, the price of pulpwood increased as of 1 April, but there is good potential for

improved profitability on account of the current price of input goods.

The company is not providing a result forecast for the full year 2010.

The following information was provided in connection with the year-end release published on 2 February 2010:

*The pulp market was weak at the beginning of 2009, with falling prices and lower delivery levels compared with the previous year. The balance between supply and demand has since improved in pace with the large stocks of pulp among producers having been reduced through both permanent closures and production restrictions. This has enabled pulp prices to increase. From the lowest levels in March and April of USD 580/tonne, the price index rose to around USD 799/tonne in December. However, the price increases in USD for part of the year were countered by a falling US dollar rate and consequently the pulp price in SEK did not improve to the same extent. Despite this, pulp prices in Swedish kronor also reached profitable levels at the end of the year. The pulp market is expected to continue to show good growth and the current balance between supply and demand will allow further pulp price increases to be implemented at the beginning of 2010.*

*The company is not providing a result forecast for the full year 2010.*

## UPCOMING FINANCIAL INFORMATION

23 July 2010	Interim Report January - June 2010
22 October 2010	Interim Report January - September 2010
1 February 2011	Year-end Report for 2010

For more information, please visit Rottneros' updated website, [www.rottneros.com](http://www.rottneros.com).

Stockholm, 22 April 2010

Ole Terland  
President and Chief Executive Officer

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

Ole Terland (President and CEO) and Karl Ove Grönqvist (CFO) will be available on 22 April on tel. +46 8 590 010 70 between 08.00 and 08.45 CET.

Rottneros AB (publ)  
Corp. ID no. 556013-5872  
Box 70 370, SE-107 24 Stockholm, Sweden  
Tel. +46 8 590 010 00, fax +46 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. The information was submitted for publication at 07.30 CET on 22 April 2010.

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

	Jan-Mar 2010	Jan-Mar 2009	Full year 2009
Net turnover	407	433	1,508
Change in inventories, finished goods	-10	-82	-179
Other income	38	18	138
<b>TOTAL INCOME</b>	<b>435</b>	<b>369</b>	<b>1,467</b>
Raw materials and consumables	-252	-257	-881
Other costs	-91	-111	-413
Personnel costs	-52	-81	-235
Depreciation/amortisation and write-downs	-33	-30	-104
<b>TOTAL OPERATING COSTS</b>	<b>-428</b>	<b>-479</b>	<b>-1,633</b>
<b>OPERATING INCOME</b>	<b>7</b>	<b>-110</b>	<b>-166</b>
Financial income	6	-	124
Financial expenses	-2	-5	-27
<b>Net financial items</b>	<b>4</b>	<b>-5</b>	<b>97</b>
<b>INCOME AFTER NET FINANCIAL ITEMS</b>	<b>11</b>	<b>-115</b>	<b>-69</b>
Tax on income for the year	0	0	0
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>11</b>	<b>-115</b>	<b>-69</b>
No. of shares at beginning of period <sup>1</sup>	1,525,719	180,212	180,212
No. of new shares issued <sup>1</sup>	-	-	1,345,507
No. of company's own shares bought back <sup>1</sup>	-	-	-
No. of shares at end of period <sup>1</sup>	1,525,719	180,212	1,525,719
Average no. of shares <sup>1</sup>	1,525,719	180,212	268,839
Earnings after tax/share (SEK) <sup>2</sup>	0.01	-0.64	-0.26

<sup>1</sup> The number of shares is given in thousands.

<sup>2</sup> There are no programs that lead to dilution.

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

	Jan-Mar 2010	Jan-Mar 2009	Full year 2009
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>11</b>	<b>-115</b>	<b>-69</b>
<b>Other comprehensive income</b>			
Cash-flow hedging, income before tax	10	5	2
Cash-flow hedging, tax effect	-3	-1	-1
Effect on deferred tax of change in Swedish tax rate	-	-	-
Exchange rate differences	0	0	-1
Reclassification adjustment Miranda <sup>3</sup>	-	-	-54
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>7</b>	<b>4</b>	<b>-54</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>18</b>	<b>-111</b>	<b>-123</b>

**KEY INDICATORS THAT AFFECT TURNOVER**

Pulp price NBSK, USD <sup>1</sup>	844	595	657
USD/SEK <sup>2</sup>	7.19	8.40	7.65
Pulp price NBSK, SEK	6,073	4,997	4,989
Rottneros' deliveries, tonnes	87,300	105,700	376,700

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

<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)**

	Mar 2010	Mar 2009	Dec 2009
Intangible fixed assets	3	23	8
Tangible fixed assets	678	908	677
Financial fixed assets	167	118	164
<b>Total fixed assets</b>	<b>848</b>	<b>1,049</b>	<b>849</b>
Inventories	200	352	215
Current receivables	268	337	230
Liquid funds	141	35	111
<b>Total current assets</b>	<b>609</b>	<b>724</b>	<b>556</b>
Non-current Assets Held for Sale	-	78	-
<b>TOTAL ASSETS</b>	<b>1,457</b>	<b>1,851</b>	<b>1,405</b>
Shareholders' equity	1,107	699	1,089
Longterm liabilities			
Interest-bearing	50	686	57
Non interest-bearing	1	16	1
<b>Total longterm liabilities</b>	<b>51</b>	<b>702</b>	<b>58</b>
Current liabilities			
Interest-bearing	37	67	44
Non interest-bearing	262	383	214
<b>Total current liabilities</b>	<b>299</b>	<b>450</b>	<b>258</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,457</b>	<b>1,851</b>	<b>1,405</b>

## CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Mar 2010	Jan-Mar 2009	Full year 2009
Operating income	7	-110	-166
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	33	30	104
Profit/loss from disposal of fixed assets	-10	-	-59
Profit from disposal of CO <sub>2</sub> allowances	-	-	-3
Other non cash-flow items	1	3	37
	<b>31</b>	<b>-77</b>	<b>-87</b>
Paid financial items	-2	-12	-28
Received/paid taxes	0	-3	5
<b>Cash-flow from current operations before change in working capital</b>	<b>29</b>	<b>-92</b>	<b>-110</b>
Change in working capital	40	121	194
<b>Cash-flow from current operations</b>	<b>69</b>	<b>29</b>	<b>84</b>
Acquisition of fixed assets	-29	-12	-10
Sale of fixed assets	10	-	120
Change in long-term receivables	-10	-	5
<b>Cash-flow from investing activities</b>	<b>-29</b>	<b>-12</b>	<b>115</b>
Proceeds from the issue of shares	-	-	182
New loans	-	1	92
Repayment of loans	-10	-28	-407
<b>Cash-flow from financing activities</b>	<b>-10</b>	<b>-27</b>	<b>-133</b>
<b>Cash-flow for the year</b>	<b>30</b>	<b>-10</b>	<b>66</b>
Liquid funds at beginning of year	111	45	45
Cash-flow for the year	30	-10	66
Translation difference in liquid funds	0	0	0
Liquid funds at end of year	141	35	111

SHARE DATA<sup>1</sup>

		Mar 2010	Mar 2009	2009	2008	2007	2006	2005
No. of shares at beginning of period <sup>2</sup>	No.	1,525,719	180,212	180,212	180,212	180,212	180,212	180,212
No. of company's own shares bought back <sup>2</sup>	No.	-	-	1,345,507	-	-	-	-
No. of company's own shares bought back <sup>2</sup>	No.	-	-	-	-	-	-	-
No. of shares at end of period <sup>2</sup>	No.	1,525,719	180,212	1,525,719	180,212	180,212	180,212	180,212
Average no. of shares <sup>2</sup>	No.	1,525,719	180,212	268,839	180,212	180,212	180,212	180,212
Operating profit or loss/share	SEK	0.00	-0.61	-0.62	-1.69	-2.00	-0.04	-0.50
Earnings after net financial items/share	SEK	0.01	-0.64	-0.26	-2.13	-2.13	-0.13	-0.57
Earnings after tax/share	SEK	0.01	-0.64	-0.26	-1.84	-1.67	-0.05	-0.35
Operating cash-flow/share <sup>3</sup>	SEK	0.03	0.09	0.27	-1.33	-0.56	0.19	-2.28
Equity/share	SEK	0.73	3.87	0.71	4.49	5.83	7.78	8.45
Dividend	SEK	-	-	-	-	-	0.10	0.10
Dividend/equity per share	%	-	-	-	-	-	1.3	1.2
Share price at end of period	SEK	0.84	1.20	0.69	1.05	2.31	6.55	6.80
Share price/equity per share	Times	1.2	0.3	1.0	0.2	0.4	0.8	0.8
P/E ratio	Times	112.7	Neg	Neg	Neg	Neg	Neg	Neg
Direct yield <sup>4</sup>	%	-	-	-	-	-	1.5	1.4

<sup>1</sup> There are no programs that lead to dilution.

<sup>2</sup> The number of shares is given in thousands.

<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.

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

	Jan-Mar 2010	Jan-Mar 2009	Full year 2009
Opening shareholders' equity	1,089	810	810
Total comprehensive income for the period <sup>1</sup>	18	-111	-123
Issue of new shares	-	-	402
<b>Closing shareholders' equity</b>	<b>1,107</b>	<b>699</b>	<b>1,089</b>

**QUARTERLY DATA (SEK MILLION)**

	2010				2009				2008	
	I	IV	III	II	I	IV	III	II	I	
Net turnover	407	363	345	367	433	534	601	780	748	
<b>Operating profit/loss before depreciation</b>	<b>40</b>	<b>32</b>	<b>-45</b>	<b>31</b>	<b>-80</b>	<b>4</b>	<b>14</b>	<b>-19</b>	<b>-81</b>	
Depreciation/amortisation and write-downs	-33	-26	-25	-23	-30	-139	-27	-29	-29	
<b>Operating profit/loss</b>	<b>7</b>	<b>6</b>	<b>-70</b>	<b>8</b>	<b>-110</b>	<b>-135</b>	<b>-13</b>	<b>-48</b>	<b>-110</b>	
Net financial items	4	-6	113	-5	-5	-34	-24	-9	-12	
<b>Profit/loss after financial items</b>	<b>11</b>	<b>0</b>	<b>43</b>	<b>3</b>	<b>-115</b>	<b>-169</b>	<b>-37</b>	<b>-57</b>	<b>-122</b>	
Tax	0	0	0	0	0	-9	13	17	33	
<b>Profit/loss after tax</b>	<b>11</b>	<b>0</b>	<b>43</b>	<b>3</b>	<b>-115</b>	<b>-178</b>	<b>-24</b>	<b>-40</b>	<b>-89</b>	
Pulp production, 1,000 tonnes	81.4	86.7	70.9	88.8	89.5	119.5	136.3	162.6	184.3	
Pulp deliveries, 1,000 tonnes	87.3	81.9	89.7	99.4	105.7	118.4	137.1	186.3	176.1	

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

	Jan-Mar 2010	Jan-Mar 2009	Full year 2009
Net turnover	405	439	1,516
Change in inventories, finished goods	-	0	0
Other income	10	15	50
<b>TOTAL INCOME</b>	<b>415</b>	<b>454</b>	<b>1,566</b>
Raw materials and consumables	-400	-427	-1,487
Other costs	-18	-24	-142
Personnel costs	-8	-8	-32
Depreciation	-1	-1	-3
<b>TOTAL OPERATING COSTS</b>	<b>-427</b>	<b>-460</b>	<b>-1,664</b>
<b>OPERATING INCOME</b>	<b>-12</b>	<b>-6</b>	<b>-98</b>
Financial income	8	13	175
Financial expenses	-1	-12	-44
<b>Net financial items</b>	<b>7</b>	<b>1</b>	<b>131</b>
<b>INCOME AFTER NET FINANCIAL ITEMS</b>	<b>-5</b>	<b>-5</b>	<b>33</b>
Tax on income for the year	-	-	-27
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>-5</b>	<b>-5</b>	<b>6</b>

## PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Mar 2010	Mar 2009	Dec 2009
Intangible fixed assets	1	4	1
Tangible fixed assets	1	2	1
Financial fixed assets	392	359	386
<b>Total fixed assets</b>	<b>394</b>	<b>365</b>	<b>388</b>
Current receivables	833	1,107	820
Liquid funds	2	5	23
<b>Total current assets</b>	<b>835</b>	<b>1,112</b>	<b>843</b>
<b>TOTAL ASSETS</b>	<b>1,229</b>	<b>1,477</b>	<b>1,231</b>
Shareholders' equity	928	545	934
Longterm liabilities			
Interest-bearing	36	669	42
<b>Total longterm liabilities</b>	<b>36</b>	<b>669</b>	<b>42</b>
Current liabilities			
Interest-bearing	32	62	38
Non interest-bearing	233	201	217
<b>Total current liabilities</b>	<b>265</b>	<b>263</b>	<b>255</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,229</b>	<b>1,477</b>	<b>1,231</b>

## SIX YEAR REVIEW

	Jan-Mar 2010	Jan-Mar 2009	2009	2008	2007	2006	2005	
								Remaining operations
								Total
<b>KEY INDICATORS THAT AFFECT TURNOVER</b>								
Pulp price NBSK, USD <sup>1</sup>	844	595	657	852	794	675	611	
USD/SEK <sup>2</sup>	7.19	8.40	7.65	6.58	6.76	7.37	7.48	
Pulp price NBSK, SEK	6,073	4,997	4,989	5,617	5,368	4,977	4,565	
Rottneros' deliveries, tonnes	87,300	105,700	376,700	617,900	714,700	699,500	666,700	
<b>Turnover and income, SEK million</b>								
Net turnover	407	433	1,508	2,663	2,927	2,690	2,411	2,429
Profit/loss before depreciation	40	-80	-62	-82	75	148	9	48
Depreciation	-33	-30	-104	-224	-435	-155	-138	-138
Operating profit/loss after depreciation	7	-110	-166	-306	-360	-7	-129	-90
Net financial items	4	-5	97	-79	-24	-16	-12	-13
Profit/loss after net financial items	11	-115	-69	-385	-384	-23	-141	-103
Profit/loss after tax	11	-115	-69	-331	-301	-8	-91	-63
<b>Balance sheet items, SEK million</b>								
Fixed assets	848	1,049	849	1,149	1,123	1,363	1,435	
Inventories	200	352	215	447	493	397	430	
Current receivables	268	337	230	391	572	570	595	
Liquid funds	141	35	111	45	121	122	125	
Non-current Assets Held for Sale	-	78	-	-	-	-	-	
Assets from discontinued operations	-	-	-	-	-	-	26	
Shareholders' equity	1,107	699	1,089	810	1,050	1,403	1,523	
Long-term interest-bearing liabilities	50	686	57	692	173	177	180	
Long-term non interest-bearing liabilities	1	16	1	14	49	85	118	
Current interest-bearing liabilities	37	67	44	82	452	304	375	
Current non interest-bearing liabilities	262	383	214	434	585	483	405	
Liabilities from discontinued operations	-	-	-	-	-	-	10	
<b>Balance sheet total</b>	<b>1,457</b>	<b>1,851</b>	<b>1,405</b>	<b>2,032</b>	<b>2,309</b>	<b>2,452</b>	<b>2,611</b>	
<b>Financial ratios</b>								
Operating margin, %	1.7	-25.4	-11.0	-11.5	-12.3	-0.3	-5.3	-3.7
Profit margin, %	2.8	-26.5	-4.6	-14.4	-13.1	-0.9	-5.8	-4.2
Return on capital employed, %	6	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Return on equity after full tax, %	5	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Equity/assets ratio, %	76	38	78	40	45	57	58	58
Debt/equity ratio, Times	0.1	1.1	0.1	1.0	0.6	0.3	0.4	0.4
Interest cover, Times	9.0	Neg	Neg	Neg	Neg	Neg	Neg	Neg
<b>Other</b>								
Capital expenditure, SEK m	29	12	10	191	163	113	234	234
Average no. of employees	322	645	387	667	718	754	804	804

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