

ROTTNEROS GROUP

INTERIM REPORT JANUARY – MARCH 2009

QUARTERLY REPORT JANUARY – MARCH 2009

Amounts in SEK m except per share data

		2009	2008	
Net turnover, SEK m	Jan - Mar	433	748	
Income after net financial items, SEK m	Jan - Mar	-115	-122	
Earnings per share after net financial items, SEK	Jan - Mar	-0,64	-0,68	
Profit/loss after tax, SEK m	Jan - Mar	-115	-89	
Earnings per share after tax, SEK	Jan - Mar	-0,64	-0,49	
Cash flow per share, SEK	Jan - Mar	0,09	-0,19	
Shareholders' equity per share, SEK		3,87	4,49	(31.12.2008)
Equity/assets ratio		38 %	40 %	(31.12.2008)

- The income after net financial items for the first quarter of 2009 amounted to SEK -115 (-122) million. The operating income for the first quarter amounted to SEK -110 (-110) million.
- On 11 March 2009 the Rottneros Group announced the sale of the operations at Rockhammar Mill to Korsnäs AB. The transaction was concluded and went into effect on 1 April 2009 when the purchase sum of SEK 145 million was paid. The sale will give rise to a capital gain in the second quarter of just over SEK 50 million and will result in a reduction of the group's net debt and improve the short-term liquidity with around SEK 40 million.
- The weak market is putting strain on Rottneros' liquidity and causing negative earnings growth. Rottneros is therefore continuing to negotiate with the company's lenders to secure the liquidity requirement and for a respite in order to make the necessary changes to the operational and financial structure, which includes consideration of new issue of shares.
- On 16 April Rottneros announced a decision to wind up the operations at the Spanish mill, Rottneros Miranda S.A, which have reduced earnings with SEK 49 million by the first quarter of 2009. The operations and the company are being liquidated according to Spanish insolvency laws. As part of this process, Rottneros Miranda S.A. will cancel payments.
- The company will not be providing a forecast for the full year 2009.

ROTTNEROS IN BRIEF

Rottneros, with its origins in the 1600s, is a non-integrated, flexible supplier of customised, high-quality paper pulp. Through continuous product development, high delivery reliability, technical support and service, Rottneros is able to adapt to meet the high expectations of its customers.

Rottneros has a total production capacity of 535,000 tonnes of pulp per year produced at two mills in Sweden and one in Spain. Increasingly intensive product development work in line with customer demands will lead to higher and more stable profitability throughout an economic cycle.

SIGNIFICANT EVENTS

Sale of operations at Rockhammar Mill

On 11 March it was announced that Rottneros and Korsnäs had reached an agreement to the effect that Korsnäs would acquire the operations at Rockhammar Mill which produces mechanical paper pulp of the CTMP type. The purchase sum was SEK 145 million. The price Korsnäs AB is paying for Rockhammar Mill exceeds the book value, which means that Rottneros is realising a capital gain of just over SEK 50 million. The sale reduces Rottneros' debt by SEK 116 million and strengthens short-term liquidity by around SEK 40 million. Rockhammar Mill generated sales in 2008 of almost SEK 250 million and produced 62,000 tonnes of pulp. All of the 60 or so employees have been offered the opportunity to continue their employment with the purchaser. The sale of Rockhammar Mill is a so-called asset purchase transaction, which means that the majority of the assets in the company are being transferred to Korsnäs. The transaction was concluded on 1 April when Korsnäs, following approval from the relevant authorities, took possession of Rockhammar and paid the purchase sum.

Decision to wind up operations in Miranda after the end of the reporting period

After the end of the reporting period, on 16 April, Rottneros announced its decision to wind up operations at the Spanish pulp mill, Rottneros Miranda S.A. The main reason is the mill's exorbitant eucalyptus wood costs in comparison with its competitors in general and in particular those in the Southern Hemisphere, which is making the operation unprofitable. Operations at the mill have been at a standstill since December 2008. A total of 155 employees are affected.

The operations and the company will be liquidated in accordance with Spanish insolvency laws. As part of this process, Rottneros Miranda S.A. will cancel payments.

The production unit for the Group's food packaging division, SilviPak, which is wholly owned by Rottneros Miranda S.A., will also be affected by the mill's liquidation. Most of SilviPak's current capacity needs can be met by the production unit at Rottneros Mill, while expansion plans at the Miranda unit will need to be reviewed.

The cost for the Group of winding up the mill in Miranda will be limited by the insolvency procedure. There will, however, be a write-down of the value of fixed assets, especially those for the SilviPak operation which was launched in 2008. This will take place as soon as the residual value can be established. Should the liquidation costs relating to personnel as well as accounts payable and environmental clean-up costs for the Rottneros Miranda S.A. subsidiary clearly exceed the value of the assets, the company will be declared bankrupt. The shares in Rottneros Miranda S.A. have been written down to zero. Rottneros' receivables from the Miranda Group, combined with the consolidated net value, amounted to a total of around SEK 100 million as of 31 March 2009. The assets mainly consist of a very large industrial site with full infrastructure, complete mechanical equipment for pulp manufacture and emission rights. The subsidiary has no liabilities to external creditors.

THE PULP MARKET

Market and products

The demand for all grades of pulp remained weak during the quarter at the same time as prices were falling. Deliveries during the first two months of 2009 for the part of the total global bleached chemical market pulp market that reports statistics (19 countries) amounted to 5.8 million tonnes (6.5 million tonnes), which was a decrease of 11 % compared with the same period 2008. Delivery capacity utilisation for bleached chemical pulp globally for the January – February period was 82 % (91 % for the same period in 2008). Production capacity utilisation for the same period was 84 % (98 %).

The average price of bleached long-fibre chemical pulp in the first quarter amounted to USD 595 per tonne (USD 878 per tonne), a decrease of 32 %. The price of long-fibre chemical pulp (NBSK) at the end of the quarter amounted to USD 577, which is 10 % lower than at the beginning of the year when the price was USD 642.

The price of short-fibre chemical pulp increased from USD 585 at the beginning of the year to USD 494 at the end of March.

Global producer stocks of bleached chemical pulp amounted to 4.6 million tonnes and were estimated at 4.8 million tonnes at the end of February.

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

The price at the beginning of the year was USD 642 per tonne and the price continued to fall to USD 577 in March. The market for long-fibre chemical pulp declined during the quarter and this is expected to continue during the first half of 2009 due to weak demand for paper and board on the global market.

Delivery capacity utilisation for the January – February period was 85 % (92 % for the same period in 2008), and production capacity utilisation for the same period was 85 % (98 %).

Short-fibre chemical pulp (produced in Miranda)

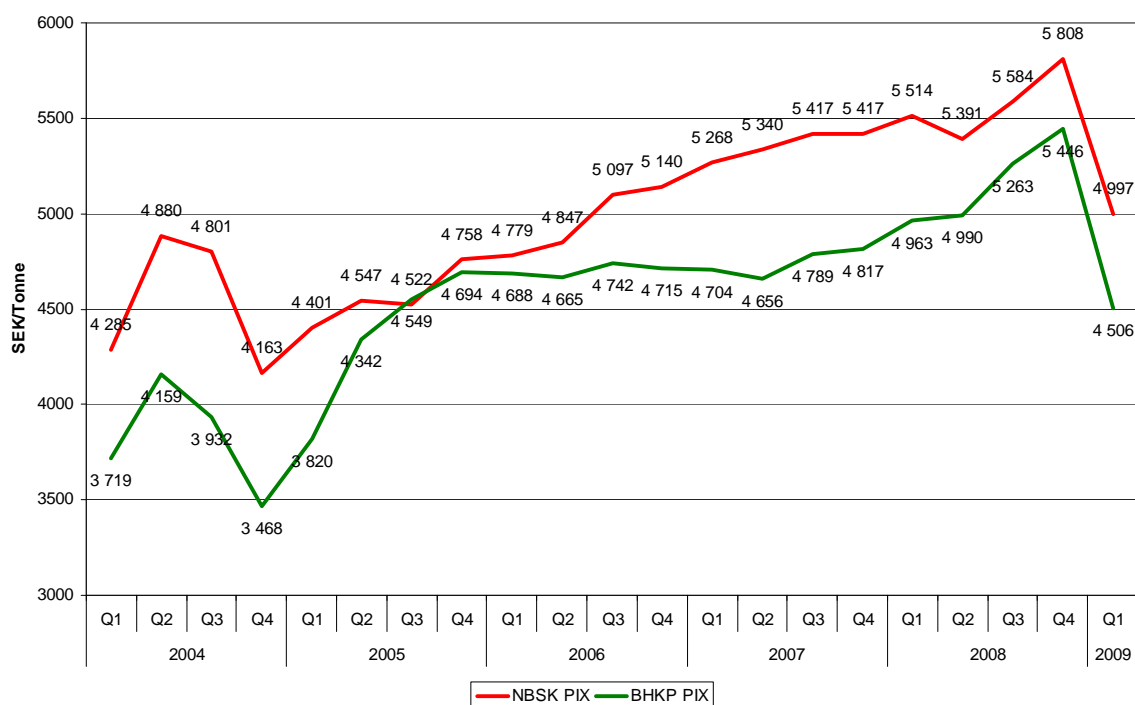
The price of eucalyptus pulp (BEK) fell during the fourth quarter from USD 585 per tonne to USD 494 per tonne.

Delivery capacity utilisation for the January – February period was 79 % (89 % for the same period in 2008), and production capacity utilisation for the same period was around 82 % (97 %).

Mechanical pulp and CTMP (produced in Rottneros and Rockhammar)

The price of short-fibre CTMP on the Western European market at the beginning of the year was USD 550 per tonne and during the first quarter the price of CTMP fell at the same rate as the price of chemical pulp. In the first quarter there was weak demand which resulted in production cuts. Delivery capacity utilisation for the January – February period was 74 % (102 %) and production capacity utilisation was 66 % (101 %).

Development of PIX price in SEK



PRODUCTION AND DELIVERIES

The Group's pulp mills in Rottneros, Rockhammar and Vallvik in Sweden and Miranda in Spain have a combined production capacity of just under 600,000 tonnes per year. In 2008 a production level for the full year of 602,700 tonnes was achieved. Operations at Rockhammar Mill, which in 2008 produced 62,000 tonnes of CTMP pulp, were sold in 2009. Production in the first quarter of 2009 was lower than the same period the previous year and amounted to 89,500 (184,300) tonnes. This is mainly due to weak demand which resulted in production cuts of around 50,000 tonnes being implemented. The previous year includes production at Utansjö Mill. Annual maintenance shutdowns are implemented at the mills in Vallvik and Rottneros in the third quarter. All maintenance shutdown costs are recognised in the period the shutdown takes place.

Deliveries in the first quarter of 2009 amounted to 105,700 (176,100) tonnes, which represents a reduction of 40 %.

PRODUCTION (TONNES)	Jan - Mar 2009	Jan - Mar 2008
Sulphate pulp	47 100	89 800
Groundwood pulp	19 300	37 800
CTMP	23 100	56 700
TOTAL	89 500	184 300
DELIVERIES (TONNES)	Jan - Mar 2009	Jan - Mar 2008
Sulphate pulp	60 400	83 900
Groundwood pulp	22 800	34 000
CTMP	22 500	58 200
TOTAL	105 700	176 100

INVOICED SALES AND RESULTS

January – March 2009 compared to January – March 2008

The Group generated a net turnover for the period of SEK 433 (748) million. As Rottneros Packaging with its SilviPak brand is in the build-up phase, results for this business area are not reported separately.

Sales for the first quarter of 2009 were SEK 315 million lower than the same period the previous year. The main factors affecting sales are: *lower delivery levels, SEK -300 million; a stronger USD, SEK 109 million; lower pulp prices in USD, SEK -205 million; and other changes, SEK 81 million.*

The average price in USD of long-fibre sulphate pulp (NBSK) fell by 32 % from USD 878 to USD 595, while the average price of NBSK pulp converted into SEK fell from SEK 5,514 to SEK 4,997 per tonne, a reduction of 9 %. The average price in USD of eucalyptus pulp (BEK) fell from USD 790 to USD 536 per tonne or by 32 %, while the average price converted into SEK fell from SEK 4,963 to SEK 4,506 per tonne, a reduction of 9 %.

The income for the first quarter was negatively affected by the weak economy. The Group's mills cut production during the first quarter. The price of pulp has fallen during the quarter at the same time as demand has been weak.

Although a large portion of the losses in the first quarter of 2008 is attributable to the operations in Miranda, Spain, which have been at a complete standstill since the beginning of the year, Rottneros other pulp mills have also reported negative operating results for the first quarter as a result of the weak price structure and limited production.

Due to the weak market, Rottneros' liquidity is strained and earnings growth is negative. The cash flow is being maintained by limiting purchasing and investment and through active efforts to free up working capital. In a longer perspective the operational structure needs to be changed in line with what is described above and the financial structure needs to be reviewed and strengthened, which includes consideration of new issue of shares. Rottneros is therefore continuing negotiations with the company's lenders to secure liquidity requirements and for a respite in order to make the necessary structural changes.

The average price of electricity on the Nord Pool exchange in the first quarter amounted to SEK 0.42 per kWh, compared to SEK 0.37 per kWh the previous year. For 2009 and beyond, electricity is currently being traded on Nord Pool at around SEK 0.38 – 0.45 per kWh.

The wood supply has functioned well during the period. The price of pulpwood is declining and additional price reductions were announced in the first quarter. All in all, the wood costs are at the same level as the previous year, but are lower than the fourth quarter of 2008. The price is expected to fall further in 2009.

The Group is posting an operating loss for the first quarter of 2009 of SEK -110 (-110) million.

Hedging transactions during the quarter resulted in a gain of SEK 3 (-14) million.

The Group is posting a loss after net financial items amounting to SEK -115 (-122) million including a net financial expense of -5 (-12) million, which includes a financial exchange gain of SEK 8 (-3) million. This was countered by operating exchange losses on accounts receivable. The loss after tax was SEK -115 (-89) million. The earnings per share were negative at SEK -0.64 (-0.49). The cash flow per share was SEK 0.09 (-0.19).

	2009	2008				Full year
	I	IV	III	II	I	
Profit/loss after financial items	-115	-169	-37	-57	-122	-385
<u>Whereof:</u>						
Currency hedges	-2	12	-	-1	6	17
Pulp price hedges	3	-13	-24	-24	-22	-83
Electricity hedges	2	5	7	3	2	17
Total hedges	3	4	-17	-22	-14	-49
IAS 39	-	-4	2	2	-12	-12
Green electricity	7	10	11	13	11	45

January – March 2009 compared to October – December 2008

The Group's net turnover decreased in the first quarter of 2009 to SEK 433 million compared to SEK 534 million in the fourth quarter of 2008. The decrease in turnover is mainly due to: *lower delivery levels SEK -58 million; a stronger USD, SEK 31 million; lower USD pulp prices, SEK -109 million; and other changes, SEK 35 million.*

The average price in USD of long-fibre sulphate pulp (NBSK) fell from USD 746 to USD 595, while the average price of NBSK pulp converted into SEK fell from SEK 5,808 to SEK 4,997 per tonne, a reduction of 14%. The average price in USD of eucalyptus pulp (BEK) fell from USD 699 to USD 536 per tonne, while the corresponding average price converted into SEK fell from SEK 5,446 to SEK 4,506 per tonne, a reduction of 17%.

The Group is posting an operating loss for the first quarter of 2009 of SEK -110 million, which can be compared with the fourth quarter of 2008 when the operating loss was SEK -135 million. The fourth quarter was charged with a write-down of the value of fixed assets in Miranda of SEK 106 million, while the first quarter was negatively affected to a greater extent by the low pulp price level and production cuts. The wood raw material costs fell and this compensates to a certain extent for the fall in the pulp price. Hedging transactions during the quarter resulted in a gain of SEK 3 (4) million. The Group is posting a loss after net financial items for the first quarter of 2009 of SEK -115 million, compared to SEK -169 million for the fourth quarter of 2008.

PARENT COMPANY

The parent company's loss for the first quarter of 2009 was SEK -5 (-34) million. All pulp invoicing in the Group has been centralised to the parent company which acts as 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 (-14) million.

The parent company's operations include the operations of the Rottneros Packaging business area which entails a cost burden as it is in a start-up phase.

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

SOUTH AFRICA PROJECT

In March Rottneros announced that Pulp United, the company in South Africa which plans to build a CTMP mill based on eucalyptus wood as a raw material, had received confirmation of allocation of the electricity required. Pulp United has received written confirmation from the municipality within which the mill will be located that the state energy company ESKOM has provided a written undertaking to supply the total amount of power applied for, 50 MW. The energy price will be based on the government-regulated tariff system.

The intention is for Rottneros to be the largest shareholder in the company, but without a majority. The confirmation of the electricity supply makes it possible to enter into the final phase of drawing up contracts with, in the first instance, project partners NCT Forestry Products, Swedfund and the South African development bank IDC.

If the project comes to fruition, it will provide a significant capital gain and substantial additional liquidity for Rottneros AB.

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, and RFR 2.1, Accounting for Legal Entities, which are applied with respect to the parent company. The accounting principles, definitions of ratios and calculation methods are otherwise the same as those used in the most recent annual report.

Starting from 1 January 2009 Rottneros is applying the revised IAS 1, Presentation of Financial Reports. The amendments have affected Rottneros' accounting in that certain income and expense items, which were previously reported under shareholders' equity, are now reported as comprehensive income in a separate statement following the consolidated income statement. The changes are effective retroactively from 31 December 2007. From 1 January 2009 Rottneros is applying IFRS 8, Operating Segments, which requires segment information to be presented in the same way as it is presented in the internal reporting. Rottneros does not present any segments in its internal reporting and this standard will therefore not affect the financial statements. No other standards or revised standards have gone into effect that would affect Rottneros' financial position or results.

RISK MANAGEMENT

With respect to its operations, the company works with a number of measures and strategies, such as focusing on niches and various specialised customer segments, in an attempt to reduce the Group's dependency on market pulp list prices and to reduce fluctuation in profitability over an economic cycle. The establishment of the Rottneros Packaging business area and expansion into a new stage in the value chain is another step in the process of reducing the Group's one-sided dependence on fluctuation in the pulp market. As a complement to the operational strategy, the Group also has a strategy for dealing with financial risk. Through more advanced management of this risk, Rottneros is striving to stabilise the Group's volatile earnings trend. The risks that have the greatest impact on the Group's earnings are associated with exchange rates, pulp prices, wood and electricity.

USD

The real flow in USD, which is estimated at around 40 % of the total inflow, can be hedged. Although Rottneros invoices in different currencies, the underlying currency for pulp prices is largely USD. Around 20 % of sales are contracted in EUR. This portion of the sales has been hedged for 2009.

This means that the underlying exposure to USD is very high, while the direct inflow of USD (the real flow) only corresponds to around 40 % of sales. The impact of exchange rate differences on the indirect exposure is delayed, however, due to the fact that the normal duration of a contract is 1 – 3 months. Lower or higher pulp prices in local currencies as a result of a change in the USD rate do not affect the earnings immediately.

The average USD exchange rate was 34 % higher in the first quarter of 2009 than the previous year, amounting to an average for the period of SEK 8.40/USD compared to SEK 6.28/USD the previous year. The impact on sales of a higher average USD exchange rate compared to SEK in the first quarter amounted to SEK 109 million compared to the same period in 2008.

At the end of March currency hedging was in place in the form of forward contracts for EUR 6 million at a rate of SEK 9.99/EUR for deliveries in 2009.

Pulp prices

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in local currencies. Pulp price forward contracts for two and three year periods have been signed. The hedges represent 4,000 tonnes per month in 2009 and expire in September 2009. The level of hedging for the hedges still in place at the end of the year amounts to an average of USD 628 per tonne.

Electricity

For 2009 around 13 % has been hedged at SEK 0.25 per kWh. The hedged portion will increase to 18 % for the rest of the year as a result of the sale of Rockhammar. The average price of electricity for the first quarter on the Nord Pool exchange was around SEK 0.42 per kWh.

For further information on risk, see the 2008 Annual Report, pages 28 – 30.

The table below shows the market value of all hedging contracts. The amounts are assessed by independent parties and represent the liquidation value, i.e. the value according to forward contracts as of 31 March 2009. The reference value is the spot rate on 31 March and is provided as supplementary information. The hedge contracts have a term of one year. 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.

MARKET VALUE (SEK million) MARCH 2009:					
<i>Hedging</i>	<i>Hedged volume</i>	<i>Hedge price</i>		<i>Market value</i>	<i>Reference - spot rate</i>
					<i>31 March 2009</i>
Currency, EUR, forward	EUR 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
Total market value				7	

MARKET VALUE (SEK million) MARCH 2008:					
<i>Hedging</i>	<i>Hedged volume</i>	<i>Hedge price</i>		<i>Market value</i>	<i>Reference - spot rate</i>
					<i>31 March 2008</i>
Currency, USD, forward	USD 17 m	6,03 SEK/USD		-1	5,95 SEK/USD
Currency, EUR, forward	EUR 18 m	9,27 SEK/EUR		-2	9,37 SEK/EUR
Pulp price, in SEK	81 000 tonnes	636 USD (PIX)		-123	USD 880/5,95 SEK/USD
Electricity	116 400 MWh	SEK 0.263 /kWh		19	SEK 0.347/kWh
Total market value				-107	

SALES OF TREASURY SHARES

The 2008 Annual General Meeting authorised the Board, in the period until the next AGM, to take decisions regarding the transfer of shares in the company. No such transfer has taken place during the period.

INVESTMENTS AND FINANCIAL POSITION

The Group's investments in fixed assets in the first quarter of 2009 amounted to SEK 12 (45) million.

The Group's liquid funds at the end of the quarter amounted to SEK 35 million, compared to SEK 45 million at the end of 2008. As of 31 March 2009 the Group had interest-bearing liabilities totalling SEK 753 million (SEK 744 million as of 31 December 2008) and net borrowing of SEK 718 million (SEK 729 million as of 31 December 2008). Approved but unutilised lines of credit as of 31 March 2009 totalled SEK 53 million. The Group's net debt situation improved by SEK 145 million on 1 April when funds were received from the sale of Rockhammar. SEK 116 of the funds from the sale will be used to pay down debt. The equity/assets ratio was 38 % as of 31 March 2009 compared to 40 % as of 31 December 2008. Shareholders' equity per share was SEK 3.87 (SEK 4.49 as of 31 December 2008).

CASH FLOW

Cash flow from operations before investments in the first quarter of 2009 amounted to SEK 29 (-12) million and included cash flow from financial hedging of SEK 2 (-17) million. The cash flow after investment activity was SEK 17 (-57) million.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees during the quarter was 645 (710).

OUTLOOK FOR 2009

The pulp market has weakened causing price and delivery levels to fall. At this time there is an excess supply of pulp and producer stock levels are too high. The negative USD price trend has, however, been partially compensated for by the significant strengthening of the USD rate, although this trend has slowed at the same time as pulp prices have continued to fall. The pulp market is expected to remain weak in the first half of 2009 due to weak demand for paper and board in the global market. Among inputs, the price of wood is high despite the fact that the downturn in the sawmill and pulp industries is forcing down the price of saw timber and pulpwood and price decreases have been announced. The price of electricity has also remained high but is showing signs of a falling trend. It is likely that the downward pressure on the price of raw materials will continue while the economy is weak.

The company is not providing a forecast for 2009.

In the year-end release published on 3 February 2009, the following statements were made:

The pulp market weakened in the fourth quarter, which caused price and delivery levels to fall. At this time there is an excess supply of pulp. The negative USD price trend has, however, been partially compensated for by the significant strengthening of the USD dollar rate, although this trend slowed in December at the same time as the price of pulp continued to fall. The pulp market is expected to remain weak in the beginning of 2009 due to weak demand for paper and board on the global market. Among inputs, the price of wood remains high despite the fact that the downturn in the sawmill and pulp industries is forcing down the price of saw timber and pulpwood. The price of electricity has also remained high, but is now showing signs of a falling trend. The price of oil fell sharply and it is likely that the downward pressure on the price of raw materials will continue while the economy is weak.

UPCOMING FINANCIAL INFORMATION

24 July 2009 - Interim report January – June 2009
23 October 2009 - Interim report January – September 2009
2 February 2010 - Year-end release for 2009

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

Upplands Väsby, 23 April 2009

Ole Terland
President and Chief Executive Officer

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

President Ole Terland and Chief Financial Officer Karl Ove Grönqvist will be available on 23 April at tel. +46 565 166 62 from 8 a.m. to 8.45 a.m.

Rottneros AB (publ), corp.reg. no. 556013-5872, Box 600, 194 26 Upplands Väsby. Tel. +46 8 590 010 00, fax +46 8 590 010 01. www.rottneros.com

This is information that Rottneros AB is obliged to publish under the Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was made available to the media for publication on 23 April 2009 at 7.30 a.m. CET.

CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK million)

	Jan - Mar 2009	Jan - Mar 2008	Full year 2008
Net turnover	433	748	2 663
Change in inventories, finished goods	-82	40	-33
Other income	18	-4	91
Total income	369	784	2 721
Raw materials and consumables	-257	-506	-1 747
Other costs	-111	-203	-630
Personnel costs	-81	-156	-426
Depreciation	-30	-29	-224
Total operating costs	-479	-894	-3 027
Operating income	-110	-110	-306
Financial income	-	1	4
Financial expenses	-5	-13	-83
Net financial items	-5	-12	-79
Income after net financial items	-115	-122	-385
Tax on income for the year	-	33	54
Net profit/loss after tax	-115	-89	-331
No. of shares at beginning of period ¹⁾	180 212	180 212	180 212
No. of company's own shares bought back ¹⁾	-	-	-
No. of shares at end of period ¹⁾	180 212	180 212	180 212
Average no. of shares ¹⁾	180 212	180 212	180 212
Earnings after tax/share (SEK) ²⁾	-0,64	-0,49	-1,84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK million)

	Jan - Mar 2009	Jan - Mar 2008	Full year 2008
Net profit/loss after tax	-115	-89	-331
Other comprehensive income			
Cash-flow hedging, income before tax	5	-8	100
Cash-flow hedging, tax effect	-1	2	-28
Effect on deferred tax of change in Swedish tax rate	-	-	3
Exchange rate differences	-	1	16
Total other comprehensive income	4	-5	91
Total comprehensive income for the period	-111	-94	-240
Key indicators that affect turnover			
Pulp price NBSK, USD ³⁾	595	878	852
USD/SEK ⁴⁾	8,40	6,28	6,58
Pulp price NBSK, SEK	4 997	5 514	5 617
Rottneros' deliveries, tonnes	105 700	176 100	617 900

¹⁾ The number of shares is given in thousands.

²⁾ There are no programs that lead to dilution.

³⁾ Source: PIX/Market Pulse.

⁴⁾ Source: Swedich central bank yearly average.

CONSOLIDATED BALANCE SHEET (SEK million)

	Mar 2009	Mar 2008	Dec 2008
Intangible fixed assets	23	33	24
Tangible fixed assets	908	1 018	1 002
Financial fixed assets	118	118	123
Total fixed assets	1 049	1 169	1 149
Inventories	352	534	447
Current receivables	337	512	391
Liquid funds	35	125	45
Total current assets	724	1 171	883
Non-current Assets Held for Sale	78	-	-
Total assets	1 851	2 340	2 032
Shareholders' equity	699	956	810
Longterm liabilities			
Interest-bearing	686	172	692
Non interest-bearing	16	51	14
Total longterm liabilities	702	223	706
Current liabilities			
Interest-bearing	67	490	82
Non interest-bearing	383	671	434
Total current liabilities	450	1 161	516
Total shareholders' equity and liabilities	1 851	2 340	2 032

CASH-FLOW ANALYSIS (SEK million)

	Jan - Mar 2009	Jan - Mar 2008	Jan - Dec 2008
Operating income	-110	-110	-306
Adjustment for non cash-flow items			
Depreciation	30	29	224
Profit/loss from disposal of fixed assets	-	-	-18
Profit from disposal of CO2 allowances	-	-	-19
Other non cash-flow items	3	94	29
	-77	13	-90
Paid financial items	-12	-13	-49
Paid taxes	-3	-3	-5
Cash-flow from current operations before change in working capital	-92	-3	-144
Change in working capital	121	-9	95
Cash-flow from current operations	29	-12	-49
Acquisition of fixed assets	-12	-45	-191
Sale of fixed assets	-	-	21
Cash-flow from capital investments	-12	-45	-170
New loans	1	59	561
Repayment of loans	-28	-	-426
Cash-flow from financing	-27	59	135
Cash-flow for the period/year	-10	2	-84
Liquid funds at beginning of year	45	121	121
Cash-flow for the period/year	-10	2	-84
Translation difference in liquid funds	-	2	8
Liquid funds at end of period/year	35	125	45

SHARE DATA¹⁾

		Mar 2009	Mar 2008	2008	2007	2006	2005	2004
No. of shares at beginning of period ²⁾	No.	180 212	180 212	180 212	180 212	180 212	180 212	180 722
No. of company's own shares bought back ²⁾	No.	-	-	-	-	-	-	510
No. of shares at end of period ²⁾	No.	180 212	180 212	180 212	180 212	180 212	180 212	180 212
Average number of shares ²⁾	No.	180 212	180 212	180 212	180 212	180 212	180 212	180 392
Operating profit or loss/share	SEK	-0,61	-0,61	-1,69	-2,00	-0,04	-0,50	-0,64
Earnings after net financial items/share	SEK	-0,64	-0,68	-2,13	-2,13	-0,13	-0,57	-0,67
Earnings after tax/share	SEK	-0,64	-0,49	-1,84	-1,67	-0,05	-0,35	-0,50
Operating cash-flow/share ³⁾	SEK	0,09	0,19	-1,33	-0,56	0,19	-2,28	-0,41
Equity/share	SEK	3,87	5,31	4,49	5,83	7,78	8,45	9,28
Dividend	SEK	-	-	0,00	-	0,10	0,10	0,20
Dividend/equity per share	%	-	-	-	-	1,3	1,2	2,2
Share price at end of period	SEK	1,20	1,70	1,05	2,31	6,55	6,80	7,55
Share price/equity per share	Times	0,3	0,3	0,2	0,4	0,8	0,8	0,8
P/E ratio	Times	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Direct yield ⁴⁾	%	-	-	-	-	1,5	1,4	2,6

¹⁾ There are no programs that lead to dilution.

²⁾ The number of shares is given in thousands.

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

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

CHANGE IN SHAREHOLDERS' EQUITY (SEK million)

	Jan - Mar 2009	Jan - Mar 2008	Full year 2008
Opening shareholders' equity	810	1 050	1 050
Total comprehensive income for the period ¹⁾	-111	-94	-240
Closing shareholders' equity	699	956	810

¹⁾ Recalculated in respect of changes in IAS 1.

QUARTERLY DATA (SEK million)

	2009	2008				2007			
	I	IV	III	II	I	IV	III	II	I
Net turnover	433	534	601	780	748	721	687	779	740
Operating profit/loss before depreciation	-80	4	14	-19	-81	9	-44	51	60
Depreciation	-30	-139	-27	-29	-29	-320	-38	-40	-38
Operating profit/loss	-110	-135	-13	-48	-110	-311	-82	11	22
Net financial items	-5	-34	-24	-9	-12	-10	-	-6	-8
Profit/loss after financial items	-115	-169	-37	-57	-122	-321	-82	5	14
Tax	-	-9	13	17	33	71	22	-1	-9
Profit/loss after tax	-115	-178	-24	-40	-89	-250	-60	4	5
Pulp production, 1 000 tonnes	89,5	119,5	136,3	162,6	184,3	190,0	177,9	186,1	176,1
Pulp deliveries, 1 000 tonnes	-105,7	-118,4	-137,1	-186,3	-176,1	-174,2	-164,5	-193,2	-182,9

PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK million)

	Jan - Mar 2009	Jan - Mar 2008	Full year 2008
Net turnover	439	749	2 674
Change in inventories, finished goods	-	-	-2
Other income	15	3	57
Total income	454	752	2 729
Raw materials and consumables	-427	-738	-2 627
Other costs	-24	-37	-138
Personnel costs	-8	-11	-50
Depreciation	-1	-2	-6
Total operating costs	-460	-788	-2 821
Operating income	-6	-36	-92
Financial income	13	12	87
Financial expenses	-12	-10	-225
Net financial items	1	2	-138
Income after net financial items	-5	-34	-230
Tax on income for the year	-	9	25
Net profit/loss after tax	-5	-25	-205

PARENT COMPANY BALANCE SHEET (SEK million)

	Mar 2009	Mar 2008	Dec 2008
Intangible fixed assets	4	12	5
Tangible fixed assets	2	22	2
Financial fixed assets	359	529	359
Total fixed assets	365	563	366
Inventories	-	2	3
Current receivables	1 107	1 348	1 165
Liquid funds	5	32	5
Total current assets	1 112	1 382	1 173
Total assets	1 477	1 945	1 539
Shareholders' equity	545	731	550
Longterm liabilities			
Interest-bearing	669	150	673
Non interest-bearing	-	-	-
Total longterm liabilities	669	150	673
Current liabilities			
Interest-bearing	62	476	68
Non interest-bearing	201	588	248
Total current liabilities	263	1 064	316
Total shareholders' equity and liabilities	1 477	1 945	1 539

SIX YEAR REVIEW

	Jan - Mar 2009	Jan - Mar 2008	2008	2007	2006	2005	2004	Total	
						Remaining operations	Remaining Total operations		
Key indicators that effect turnover									
Pulp price NBSK, USD ¹⁾	595	878	852	794	675	611	617		
USD/SEK ²⁾	8,40	6,28	6,58	6,76	7,37	7,48	7,35		
Pulp price NBSK, SEK	4 997	5 514	5 617	5 368	5 581	4 565	4 532		
Rottneros' deliveries, tonnes	105 700	176 100	617 900	714 700	699 500	666 700	625 000		
Turnover and income, SEK million									
Net turnover	433	748	2 663	2 927	2 690	2 411	2 429	2 356	
Profit/loss before depreciation	-80	-81	-82	75	148	9	48	129	
Depreciation	-30	-29	-224	-435	-155	-138	-138	-223	
Operating profit/loss after depreciation	-110	-110	-306	-360	-7	-129	-90	-114	
Net financial items	-5	-12	-79	-24	-16	-12	-13	-7	
Profit/loss after net financial items	-115	-122	-385	-384	-23	-141	-103	-121	
Profit/loss after tax	-115	-89	-331	-301	-8	-91	-63	-91	
Balance sheet items, SEK million									
Fixed assets	1 049	1 169	1 149	1 123	1 363	1 435	1 349		
Inventories	352	534	447	493	397	430	474		
Current receivables	337	512	391	572	570	595	572		
Liquid funds	35	125	45	121	122	125	157		
Non-current Assets Held for Sale	78	-	-	-	-	-	-		
Assets from discontinued operations	-	-	-	-	-	26	16		
Shareholders' equity	699	956	810	1 050	1 403	1 523	1 673		
Long-term interest-bearing liabilities	686	172	692	173	177	180	186		
Long-term non interest-bearing liabilities	16	51	14	49	85	118	174		
Current interest-bearing liabilities	67	490	82	452	304	375	56		
Current non interest-bearing liabilities	383	671	434	585	483	405	472		
Liabilities from discontinued operations	-	-	-	-	-	10	7		
Balance sheet total	1 851	2 340	2 032	2 309	2 452	2 611	2 568		
Financial ratios									
Operating margin	%	-25,4	-14,6	-11,5	-12,3	-0,3	-5,3	-3,7	-4,9
Profit margin	%	-26,5	-16,3	-14,4	-13,1	-0,9	-5,8	-4,2	-5,2
Return on capital employed	%	Neg	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Return on equity after full tax	%	Neg	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Equity/assets ratio	%	38	41	40	45	57	58	65	65
Debt/equity ratio	Times	1,1	0,7	1,0	0,6	0,3	0,4	0,4	0,2
Interest cover	Times	Neg	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Other									
Capital expenditure	SEK m	12	45	191	163	113	234	234	283
Average no. of employees		645	710	667	718	754	804	804	835

¹⁾ Source: PIX/Market Pulse

²⁾ Source: Swedish central bank yearly average