

PRESS RELEASE

Upplands Väsby, 29 January 2007

Rottneros launches unique VMI system

Pulp producer Rottneros is launching a system for Vendor Managed Inventory. In contrast to traditional VMI systems, this gives the user a host of data on the raw materials, which can be used to fine-tune the production process.

In recent years VMI has become more and more popular, due to the closer partnerships between suppliers and customers. VMI makes it possible for industries to cut their stocks and thus the capital they have tied up, while also increasing reliability of deliveries.

Traditionally, VMI is based on the supplier taking over responsibility for ensuring that raw material stocks are kept topped up to agreed levels. Now, Rottneros has developed a system for its customers in the paper industry which takes VMI to another level. As well as keeping track of volumes, the system also sends laboratory data on each individual bale straight to the customer's production system. Parameters such as freeness and bulk always vary within the specified range, but this way, the paper manufacturer gains detailed information on these values for each individual delivery. The values can then be used to fine-tune the production process for optimum production results and economy.

This is made possible by the system's extremely high definition, with every individual bale registered when used by the customer. This is carried out by readers which automatically register markings on the bale. Via a small process computer, the information can be used in the purchasing and production systems, as required by the customer.

"As far as we know, this is an entirely unique system within the paper industry," states Rottneros' Marketing Director Tomas Wiklund. "We believe that the ability to optimise stock levels and the production process itself will prove an attractive prospect for the industry."

"We've developed the system in close collaboration with one of our major customers, who has tested the system over a long period of time to ensure performance and reliability. The results have been so good that we are now pleased to be able to offer the system to our customers."

For more information, contact: Tomas Wiklund, Marketing Director, tel. +46 8 590 01 060, mobile +46 70-590 0124, e-mail tomas.wiklund@rottneros.com or

Photo material is available at: www.rottneros.se/pressimages

Rottneros is one of the world's leading independent producers of market pulp. The Group comprises the parent company Rottneros AB, listed on the Stockholm Stock Exchange, and its subsidiaries Rottneros Rockhammar AB, Utansjö Bruk AB and Vallviks Bruk AB in Sweden as well as Rottneros Miranda, S.A. in Spain, all with operations involving the production and sale of market pulp. The Group also includes the wood procurement companies Rottneros Baltic SIA of Latvia and Rottneros Madeiras of Portugal. The Group now has a new division, Rottneros Packaging, which produces food packaging made from paper pulp. The Group has around 800 employees and net sales of approximately SEK 2.4 billion.