



Upplands Väsby October 14, 2005

## **PRESS RELEASE FROM ROTTNEROS**

### **Changed forecast for 2005 due to the fact that expected pulp price increases have not materialized.**

**The Rottneros Group is anticipating a considerably weaker result than earlier forecast for the whole year 2005. The loss is calculated to be less than last year when the group reported a loss of 108 MSEK (excluding IFRS effects) which included large non-recurrent items. The forecast submitted in connection with the six month interim report stated a weak positive result.**

The main reason for the changed forecast is that the market and with that the prices have not yet developed as expected. The price increase during the second part of this year anticipated in the report for the first half year has not occurred during the third quarter.

- Even if we count on a marginally better pulp price formation during the fourth quarter this year the increases will come to late to compensate for the low market prices and for the additional costs over the first nine months for the restructuring of the magnefite line into CTMP production at the Utansjö mill. We are very sensitive to pulp price changes. A change of 30 USD or 5 cent per tonne pulp has an effect on the result on a yearly basis by fully 150 MSEK, says Rottneros CEO Lars Blecko.

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Rottneros is one of the world's leading independent manufactures of market pulp. The group consists of the parent company, Rottneros AB, which is listed on the Stockholm Stock Exchange, along with its subsidiaries of Rottneros Rockhammar AB, Utansjö Bruk AB and Vallviks Bruk AB in Sweden as well as Rottneros Miranda S.A. in Spain, with activities involving production and sales of market pulp plus the raw material purchasing company of Rottneros Baltic SIA in Latvia. The Group has a total of 835 employees and a turnover of approximately SEK 2.3 billion.