



PRESS RELEASE FROM ROTTNEROS AB

Pulp facility at Utansjö Opened by HM King Carl Gustaf

Rottneros' new production line for CTMP pulp at Utansjö Mill in Ångermanland was opened on Wednesday by HM Carl XVI Gustaf of Sweden. This investment, which amounts to around SEK 280 million, is the largest in the Härnösand municipality since the 1980s. The new facility is the result of a restructuring programme at Utansjö Mill that began at the end of 2002.

The facility has a production capacity of around 100,000 tonnes per year, making Rottneros' total CTMP capacity around 220,000 tonnes. This secures Rottneros' position as one of the world's leading producers of CTMP.

"CTMP, which is a mechanical pulp, is a product that is growing in the market, while magnesite pulp, which we have now stopped producing, is waning and has been unprofitable for a number of years in succession," says Lars Blecko, President and CEO of Rottneros. "CTMP is particularly well-suited for the production of coated wood-containing paper because it is bright and yields stiff paper with high opacity."

Examples of other end products manufactured with CTMP include fine paper, tissue, liquid packaging board and various types of filters.

"Converting parts of the old magnesite facility for CTMP production was a technical challenge," says Rune Hillström who is Managing Director of Utansjö Mill. "This is probably the first time it has ever been done. Building an entirely new facility would not have been possible for financial reasons."

The new production line is very cost effective. Because a big portion of the old magnesite facility has been converted for CTMP production, the investment costs are about 70 per cent lower than they would have been for a completely new facility. Furthermore, the production of CTMP is both resource-efficient and environmentally friendly because up to 90 per cent of the raw material, which is aspen or spruce, is used.

Utansjö, October 5 2005

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Please find the pictures taken at the inauguration at: www.rottneros.com from 16.45

<p>Rottneros is one of the world's leading independent manufacturers 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 materials 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.</p>



Facts on the new CTMP line at Utansjö Mill

- CTMP stands for: Chemi-Thermo Mechanical Pulp
- Production capacity: 100,000 tonnes of pulp per year
- Wood raw material: Aspen or spruce
- Cost: Approx. SEK 280 million
- Remaining from old magnefite line: Wood processing, bleaching unit, spray drier and baling equipment
- Capital savings made by utilising the existing facility: Approx. 70%
- Construction/installation time: 12 months
- Properties of CTMP:
 - High level of brightness
 - Yields bulky, i.e. stiff paper
 - Yields paper with high opacity
- Areas of application: Coated wood-containing paper, fine paper, tissue and liquid packaging board
- Other CTMP production by Rottneros:
 - Rottneros Mill and Rockhammar Mill
 - Total capacity: 220,000 tonnes per year
 - One of the world's biggest CTMP producers



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