

ROTTNEROS: INTERIM REPORT JANUARY – SEPTEMBER 2016

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- The Company's investments in the Agenda 500 development programme continue to increase capacity. An important milestone for Rottneros Mill was the expansion of the CTMP line in September, increasing capacity for the line by 20% or by 4% for the entire Group.
- Delivery volumes in the third quarter rose by 1% compared with third quarter 2015 and by 3% compared with second quarter 2016.
- Net turnover for the third quarter was SEK 444 million (455). Profit after financial items for the third quarter amounted to SEK 45 million (80) and earnings per share amounted to SEK 0.23 (0.41).
- The NBSK pulp list price in the third quarter was 4% lower in USD and SEK, compared with the third quarter of 2015. Compared with the second quarter of 2016, however, the increase in SEK was nearly 6%.
- Production volumes dropped because of the maintenance shutdown at Rottneros Mill, and a somewhat lower production rate at Vallvik Mill.
- Lennart Eberleh started as new President and CEO of Rottneros AB on 1 September 2016.
- Per Lundeen was appointed to serve as new Chairman of the Board on 9 September 2016.
- Rottneros is leading a new EU project for completely bio-based packaging.

Comments by the President

I am proud to have been appointed CEO and President for such a well-run company as Rottneros. I have the privilege of leading Rottneros on its chosen path, using Agenda 500 as a guide in our efforts to achieve industrial development. We will learn from our past, finish what has been started and continue to further develop the Rottneros Group.

A major focus moving forward will be to further develop the organisation to maximise the return on our investments. Dedicated employees who have the opportunity to grow comprise an important success factor for the future. I hope that my interest in leadership and communication will help to make Rottneros even more energetic and forward-thinking than previously. Energy and momentum must be integral to everything we do – in our customer relationships, in the mills and in our ability to attract tomorrow's workforce.

Stable market and historically high profit level

As a whole, the underlying market has been stable this quarter. We have seen a positive market trend for mechanical pulp in Asia. Consolidated earnings for the quarter have decreased compared with the very high level this same quarter last year, primarily due to lower pulp prices. From a historic perspective, however, the level of earnings and profitability remained good. Production in September was slightly lower than in the past, mainly because we were preparing for the autumn shutdown in Vallvik.

Well equipped for a production development

The annual maintenance shutdown at Rottneros Mill in September has gone better than expected. During the shutdown investments approved under Agenda 500 were installed and the facility is now well-equipped for a higher rate of production. These investments are the first of the two steps in the planned capacity increases at the mill.

The annual maintenance shutdown at Vallvik Mill took place in early October. In addition to the planned maintenance work, a number of efficiency improvements were installed in connection with the shutdown.

Agenda 500 not only boosts our capacity and productivity, but also continues to refine our carefully selected niches and our service offering. We will continue to put our employees' safety first at the same time that we take greater responsibility for both the internal and the external environment. An increased integration of sustainability into our business model and an understanding of the connection to the financial results are both important factors for us to be able to continue to deliver good growth.

I will continue to lead Rottneros on the chosen path with a focus on the customer and on customised pulp, as well as on safe and optimised production. We have some hard work ahead of us, but I am confident that we can do it. I look forward to developing Rottneros together with our talented employees and partners.

Lennart Eberleh
Chief Executive Officer and President

(For the complete interim report see attached file)

For more information, please visit. www.rottneros.com

<p>This information is information that Rottneros AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 8.00 a.m. on 10 November 2016. A Swedish and an English version of this report have been drawn up. The Swedish version shall prevail in the event of differences between the two.</p>

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