

ROTTNEROS

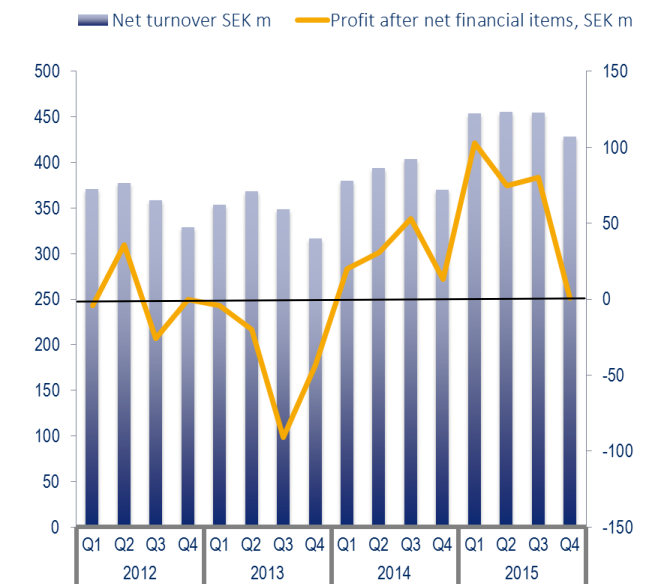
YEAR-END REPORT JANUARY – DECEMBER 2015

BEST ANNUAL RESULT IN THE CURRENT STRUCTURE

The quarter and the year in figures

	Oct-Dec 2015	July-Sept 2015	change	Oct-Dec 2014	change	Jan-Dec 2015	Jan-Dec 2014	change
Net turnover, SEK million	429	455	-26	370	59	1,795	1,547	248
Operating profit, SEK million	3	81	-78	13	-10	263	118	145
Profit after net financial items, SEK million	1	80	-79	13	-12	259	114	145
Profit after tax, SEK million	1	62	-61	55	-54	223	133	90
Earnings per share, SEK	0.01	0.41	-0.40	0.36	-0.35	1.46	0.87	0.59
Cash flow before investments, SEK million	71	84	-13	6	65	335	104	231

- Profit after net financial items for the whole of 2015 was SEK 259 (114) million, our best annual result in the current structure.
- Profit after net financial items for the fourth quarter of 2015 was SEK 1 (13) million, a weak result mainly relating to problems in connection with the production start-up after the maintenance shutdown in Vallvik Mill.
- Cash flow before investments for the whole of 2015 was strong and totalled SEK 335 (104) million. Rottneros is debt-free and at year-end cash and cash equivalents totalled SEK 169 (89) million.
- In the second quarter shareholders were paid dividend of SEK 61 million and in the fourth quarter an additional dividend of SEK 61 million, for a total of SEK 122 million in 2015.
- Net turnover for both the fourth quarter and full-year 2015 increased 16 percent compared with the previous year.
- Production volumes in the fourth quarter increased by 7 percent and for the full year, production volumes increased by 8 percent compared with the same period the previous year. Both Rottneros Mill and Vallvik Mill set new records for annual production.
- The Board of Directors proposes a dividend of SEK 0.30 per share.



COMMENTS BY THE PRESIDENT

Historic year in terms of performance

2015 was an extremely favourable year for the Rottneros Group. The year as a whole represented a significant improvement in earnings, with operating profit more than doubling to SEK 263 million. We can thus report a return on capital employed of 25 percent. This means that we have met our target: return on capital employed shall exceed this figure for comparable pulp-producing companies. As a result of our strong financial position, in early November the Board of Directors also decided to propose an extra dividend of SEK 0.40 per share. The resolution was approved in December by an Extraordinary General Meeting.

However, the last quarter of the year was weak. Profit after net financial items was SEK 1 million, to be compared with SEK 13 million for the same period in 2014. The fourth quarter is normally seasonally weak because of Vallvik Mill's annual maintenance shutdown. This year the start-up period was more difficult than planned following a number of capacity-enhancing investments that were made within the framework of the Group's ongoing Agenda 500 investment plan. The lengthy start-up process had a negative impact on delivery volumes in late November and in December. This situation, combined with a lower price/mix as well as higher maintenance and production costs comprise the basis for the weaker earnings.

Stable demand, but price pressures

In general, demand for our grades of pulp remains stable. However, price pressures in the global market for long-fibre pulp continued this quarter, applying further pressure to the traditionally weaker fourth quarter. For the whole of 2015, the price decline in the market was pronounced. In early 2015 the published NBSK pulp price was USD 930/tonne and by the end of the year it dropped by 14 percent to about USD 800/tonne. Consequently, 2016 is starting at a significantly lower level in terms of price than the previous year.

Long-term and efficient investments

Within the framework of our long-term industrial plan, Agenda 500, which aims to increase production from the level in 2014 of 344,000 tonnes to a target of at least 460,000 tonnes, production in 2015 reached 373,300 tonnes, an increase of 8 percent from 2014. Both mills set new production records. The investments are highly cost-effective, as measured by SEK invested per tonne of additional capacity, compared with other pulp producers. During the year the Rottneros Group's Board of Directors approved investments for SEK 205 million in Vallvik Mill and SEK 136 million in Rottneros Mill, of which SEK 103 million was carried out in 2015.

During the last quarter of 2015 the Board decided to expand the CTMP line's flash dryer at Rottneros Mill.

After the end of the quarter Vallvik Mill was granted a new environmental permit allowing the mill to produce the requested volume of 255,000 tonnes of sulphate pulp. Consequently we are allowed to implement our planned expansion of capacity in line with Agenda 500.

Enhanced expertise and resources

Our personnel comprise the foundation of the strong improvement in profitability at Rottneros. During the year we hired about 50 new employees. As a result, we replaced employees who are leaving due to retirement, but we also increased staffing to enhance skills and capacity at Rottneros.

To sum up, 2015 has been a very strong year for the Rottneros Group. As a result of the gradual weakening of the price of pulp during the year, we are entering 2016 with less favourable conditions than the previous year. Given the improvement measures carried out and planned in the mills, we continue to view the future with optimism, provided that pulp prices do not continue to fall. In recent weeks, some major industry players have announced price increases for February.

Per Lundeen

THE PULP MARKET

MARKETS AND PRODUCTS

PULP MARKET INTERNATIONALLY

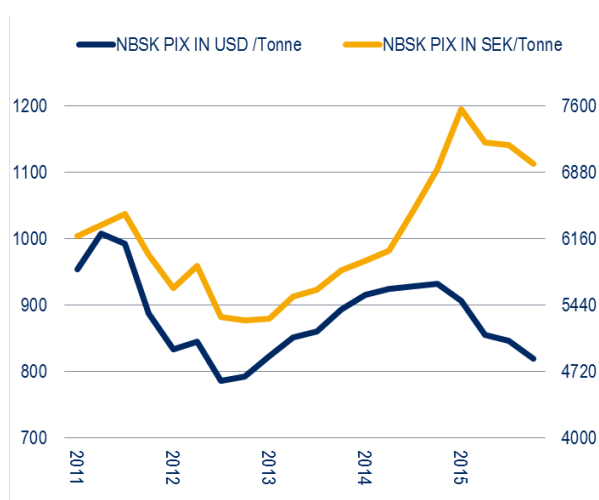
Demand for market pulp in 2015 was strong in emerging markets, particularly in China, but volumes barely increased in developed countries. The decline in graphic paper, which until now has mainly been noted in mature economies, can now also be seen in the emerging markets. However, the decline in graphic paper has been offset by increased fibre consumption globally in packaging and tissue paper.

Worldwide deliveries of chemical market pulp (World-20) increased in 2015 by about 3 percent. Deliveries of high-yield pulp increased by about 4 percent. Producer stock levels at year-end were 35 days for chemical pulp and 37 days for BCTMP.

After a strong end to the year, including record-high deliveries to China, deliveries of long-fibre sulphate increased by just over 1 percent. Capacity utilisation was 92 percent and inventories at the end of the year corresponded with 29 days of consumption. The price of NBSK was under pressure during most of the year, falling from USD 930 in January to around USD 800 at year-end.

Demand for short-fibre pulp in 2015 was stronger than for long fibre. After slowly rising prices during most of the year, the price trend turned downwards in the fourth quarter and the year ended at a level of around USD 790, though still about USD 50 higher than at the beginning of the year. The price trend for BCTMP is essentially in line with that of short-fibre pulp.

NBSK trend the past five years



PRODUCTION AND DELIVERIES

The Group continued to have a positive trend in both production and delivery volumes.

The rise in production volume compared with the previous year was about 7 percent for the fourth quarter and 8 percent for the whole of 2015. Total production for the year amounted to 373,300 tonnes, compared with 345,000 tonnes in 2014. Both Rottneros Mill and Vallvik Mill set new records for annual production.

Deliveries during the fourth quarter of 2015 amounted to 91,300 tonnes (78,300), an increase in volume of 17 percent. Deliveries for the whole of 2015 amounted to 372,200 (344,200) tonnes, an increase in volume of 8 percent.

Groundwood pulp and CTMP accounted for the largest increase, largely due to new product launches carried out in autumn 2014 and spring 2015.

PRODUCTION (TONNES)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Sulphate pulp	48,800	48,500	218,700	211,400
Groundwood pulp	17,300	13,700	68,900	52,800
CTMP	22,400	20,700	85,700	80,800
TOTAL	88,500	82,900	373,300	345,000

DELIVERIES (TONNES)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Sulphate pulp	52,100	43,900	218,100	211,300
Groundwood pulp	17,400	15,100	67,300	53,500
CTMP	21,800	19,300	86,800	79,400
TOTAL	91,300	78,300	372,200	344,200

Maintenance shutdowns and seasonal variations

A maintenance shutdown was carried out at the mill in Vallvik during the fourth quarter, just like last year. Rottneros Mill had its maintenance shutdown in the third quarter of 2015 (in 2014, one in July and one in October).

Costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. The direct cost of the maintenance shutdown at Vallvik in the fourth quarter was SEK 31 (30) million, excluding the loss of production of approximately 10,000 tonnes. Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

SALES AND RESULTS

Fourth quarter 2015 compared with fourth quarter 2014

Deviation analysis (SEK m)

	Oct-Dec 2015	Oct-Dec 2014
NBSK PIX, USD	820	932
SEK/USD	8.50	7.42
NBSK, SEK	6,970	6,916
OPERATING PROFIT (SEK m)	3	13
Price/mix	-23	
Currency	9	
Volume effect (net) on the results	18	
Variable production costs per ton	5	
Realised pulp, electricity and currency hedges	6	
Other	-25	
TOTAL DIFFERENCE (SEK m)	-10	

The average price of long-fibre sulphate pulp (NBSK) in USD decreased by 12 percent compared with the same quarter the previous year. However, the average NBSK price was 1 percent higher denominated in SEK compared with the fourth quarter of 2014, due to a stronger USD in relation to the SEK. Group net turnover amounted to SEK 429 (370) million in the fourth quarter of 2015, an increase of 16 percent, which can mainly be explained by the increased delivery volumes.

On a net basis, the increased production and delivery volumes have improved the fourth quarter results by SEK 18 million. The impact on the quarter results under "Other" mainly consists of higher costs for ongoing maintenance, higher delivery costs, and higher personnel expenses.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.20 (0.29) per kWh for the fourth quarter of 2015 and had a positive impact on the result. However, the lower price level did not have a full impact since parts of electricity consumption were hedged at higher levels than spot prices during the quarter.

Full-year 2015 compared with 2014

Deviation analysis (SEK m)

	Jan-Dec 2015	Jan-Dec 2014
NBSK PIX, USD	857	925
SEK/USD	8.44	6.86
NBSK, SEK	7,285	6,345
OPERATING PROFIT (SEK m)	263	118
Price/mix	-61	
Currency	164	
Volume effect (net) on the results	64	
Variable production costs per ton	24	
Realised pulp, electricity and currency hedges	13	
Other	-59	
TOTAL DIFFERENCE (SEK m)	145	

The average price of long-fibre sulphate pulp (NBSK) in USD decreased by 7 percent compared with the previous year. However, the average NBSK price was 15 percent higher denominated in SEK compared with 2014, due to a stronger USD in relation to the SEK. Group net turnover amounted to SEK 1,795 (1,547) million for full-year 2015, an increase of 16 percent.

On a net basis, the increased production and delivery volumes have improved the full-year 2015 results by SEK 64 million.

The impact on the full-year results under "Other" mainly consists of higher costs for ongoing maintenance, higher delivery costs, and higher personnel expenses.

The average price of electricity on the Nord Pool electricity exchange in 2015 was SEK 0.20 (0.29) per kWh and had a positive impact on the result. However, the lower price level did not have a full impact since parts of the consumption were hedged at higher levels than spot prices during the year.

INVESTMENTS AND FINANCIAL POSITION

The Group's investments in fixed assets amounted to SEK 103 (59) million in 2015.

The Group had cash and cash equivalents amounting to SEK 169 million at the end of the year, compared with SEK 89 million at the end of 2014.

The Group had no interest-bearing liabilities at year-end, compared with SEK 30 million the previous year. Total granted and unused credit facilities at year-end amounted to SEK 175 million.

The equity/assets ratio amounted to 76 (77) percent at year-end. Equity per share amounted to SEK 6.93 (SEK 6.39) at year-end.

CASH FLOWS

Cash flow from operating activities before investments for full-year 2015 amounted to SEK 335 (104) million. The decrease in working capital had a positive impact on cash flow of SEK 18 million during the year. In 2014, the increase in working capital had a negative impact of SEK -71 million on the cash flow.

Cash flow after investing activities for 2015 was SEK 232 (84) million.

In the second quarter shareholders were paid dividend of SEK 61 million and in the fourth quarter an additional dividend of SEK 61 million, for a total of SEK 122 (-) million in 2015.

Repayment of loans was SEK 30 (net repayment 30) million in 2015. Net cash flow for the year was SEK 80 (54).

AVERAGE NUMBER OF EMPLOYEES

The average number of employees amounted to 264 (251) in 2015. The increase was mainly attributable to production personnel.

TAXES

Taxes for full-year 2015 are related to utilisation of previously capitalised loss carry-forwards and capitalisation of tax loss carry-forwards that were not previously recognised.

The deferred tax asset related to tax loss carry-forwards amounted to SEK 31 (67) million at year-end, equivalent to a taxable income of SEK 141 (302) million.

PARENT COMPANY

Profit after net financial items for the parent company amounted to SEK 226 (36) million for the whole of 2015. The result after net financial items includes realised hedging activities of SEK 1 (-31) million, group contributions received/granted and anticipated dividends of SEK 189 (98) million, as well as a reversal for SEK 45 million of earlier write-downs on subsidiary shares.

SHARE INFORMATION

Number of shares

	As of 31 December 2015
Registered number of shares	153,393,890
- of which treasury shares	821,965

Largest shareholders as of 31 December 2015

Shareholder	Number of shares (=votes)	Percentage of capital
Arctic Paper S.A.	78,230,883	51
PROAD AB	7,605,235	5
Försäkringsbolaget Avanza Pension	4,488,112	3
Nordnet Pensionsförsäkring AB	2,113,961	1
Försäkrings AB Skandia	1,639,134	1
ALCUR	1,561,729	1
Deutsche Bank AG, London Branch, W-8BEN	1,509,996	1
Morgan Stanley & Co Intl Plc, W-8BEN	1,312,502	1
Schiller, Marcus	1,094,566	1
Scientia Fund Management AB	968,425	1
Total holdings of 10 largest shareholders	100,524,543	66
Other shareholders	52,047,382	34
Rottneros AB (treasury shares from buy-back)	821,965	1
TOTAL	153,393,890	100

Treasury shares

The number of shares in Rottneros amounts to 153,393,890. Rottneros' holding of treasury shares amounts to 821,965 shares. No change in treasury shares occurred during the year.

Transactions with related parties

Rottneros sold pulp to the related party Arctic Paper S.A. Group in the amount of SEK 140 (96) million. Outstanding operating receivables from Arctic Paper amounted to SEK 22 (14) million at year-end. Transactions were conducted on normal market conditions, but with a lower level of credit insurance, owing to the group relationship between Arctic Paper and Rottneros.

Share price trend during the year

In 2015 the share price increased from SEK 3.74 to SEK 8.15, an increase of 118 percent. Including the dividend of SEK 0.80, this gave a total return for the year of 139 percent.

Dividend

The Board of Directors proposes that the Rottneros Annual General Meeting of Shareholders, to be held on 20 May 2016, resolve to distribute a dividend of SEK 0.30 per share.

RISK MANAGEMENT

The Company's operational work involves a number of measures and strategies – for example, focusing on niches and various specific customer segments – aimed at reducing the Group's dependence on market pulp list prices and moderating fluctuations in profitability over a business cycle. The factors that have the greatest impact on the Group's results are linked to exchange rates and the price of pulp, timber and electricity.

The nature of financial assets and liabilities are in all essential respects the same as of 31 December 2014. The carrying amounts are deemed to approximate fair values, which was also the case at the end of 2014.

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus very high, and the direct inflow of USD (the real flow) corresponds to approximately 50 percent of the inflow and approximately 35 percent in EUR. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a customer contract is between one and three months.

The average USD exchange rate was 23 percent higher in 2015 compared with 2014 and amounted to SEK/USD 8.44 compared with SEK/USD 6.86 for 2014. During the fourth quarter of 2015, the average SEK/USD exchange rate was 15 percent higher when compared with the fourth quarter of 2014.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. The Group did not have any pulp price hedging contracts as of 31 December 2015 and 2014.

Electricity

All physical electricity for the mills is purchased directly via the Nord Pool electricity exchange. Electricity prices are listed in EUR. The amount of electricity hedged at the end of 2015 corresponded to the proportion of forecast consumption shown in the table. The table shows the hedged proportion of estimated total consumption, and the average price in SEK/kWh.

Currencies were hedged in the form of forward contracts for EUR 1.6 million, at an average rate of SEK/EUR 9.00, for electricity purchases in 2016. Other electricity hedges are denominated in SEK.

Electricity hedging as of 31 December 2015

Year	Proportion hedged	EUR/MWh	SEK/kWh
2016	77%	37.0	0.245
2017	59%		0.240
2018	44%		0.228
2019	44%		0.237

The average price level for electricity on Nord Pool amounted to SEK 0.20 (0.29) per kWh for the fourth quarter 2015.

See pages 29 to 33 of the Annual Report for 2014 for further information on risks.

Fair value of hedging derivative instruments

Fair value (SEK million) as of 31 December 2015

Hedging	Hedged volume	Hedging level	Fair value	Reference value, Spot rate 31 Dec 2015
Currency EUR, forward buy	EUR 1.6 million	9.00 SEK/EUR	1	9.14 SEK/EUR
Currency USD, forward sell	USD 4.5 million	8.68 SEK/USD	1	8.35 SEK/USD
Electricity	657,480 MWh	0.245 SEK/kWh	-34	0.142 SEK/kWh
Total fair value			-32	

Fair value (SEK million) as of 31 December 2014

Hedging	Hedged volume	Hedging level	Fair value	Reference value, Spot rate 31 Dec 2014
Currency EUR, forward sell	EUR 1 million	8.84 SEK/EUR	-1	9.46 SEK/EUR
Currency EUR, forward buy	EUR 5.7 million	9.06 SEK/EUR	3	9.48 SEK/EUR
Electricity	175,368 MWh	0.380 SEK/kWh	-13	0.275 SEK/kWh
Total fair value			-10	

The table above shows the fair values of all hedges. Fair value refers to a valuation that is made in accordance with forward contracts on 31 December. The reference value refers to the spot rate on 31 December and is provided as supplementary information. As a result of the application of IFRS/IAS, these fair values are recorded in the balance sheet.

ACCOUNTING POLICIES

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, 'Supplementary Accounting Rules for Groups' together with RFR 2 'Accounting for Legal Entities', in respect of the parent company.

The accounting policies, definitions of key ratios and calculation methods are the same as those used in the latest annual report.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 12 January 2016 Vallvik Mill was granted a new environmental permit to produce the planned 255,000 tonnes of sulphate pulp. The new permit ensures that Rottneros can continue to expand capacity as planned.

No other significant events have occurred after the balance sheet date that would affect the Group's financial position and results of operations.

FORTHCOMING FINANCIAL INFORMATION

16 May 2016	Interim Report January–March
29 August 2016	Interim Report April–June
10 November 2016	Interim Report July–September

The 2015 Annual Report in English is planned to be published on the week beginning 28 March 2016.

GENERAL MEETING

The Annual General Meeting is scheduled for 2 p.m. on 20 May 2016 at the Stockholm World Trade Center, the Manhattan room, Kungsbron 1, in Stockholm.

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

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

In Vallvik, 12 February 2016

Per Lundeen

President and CEO

Rottneros AB (publ)
 Corp. ID no. 556013-5872
 Box 144, SE-826 23 Söderhamn, Sweden
 Tel: +46 (0)270-622 00, Fax: +46 (0)270-622 20
www.rottneros.com

Rottneros discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication on 12 February 2016 at 8:30 a.m. 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 reports.

DEFINITIONS OF KEY RATIOS

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

Interest-bearing net assets/liabilities

Cash and cash equivalents minus interest-bearing liabilities.

Debt/equity ratio

Interest-bearing net assets/liabilities divided by shareholders' equity.

Operating margin

Operating profit after depreciation as a percentage of net turnover for the period.

Profit margin

Profit/loss after net financial items as a percentage of net turnover for the period.

Net income

Net income is the profit/loss after tax.

Earnings per share

Net income divided by the average number of shares.

Return on capital employed

Profit/loss after net financial items plus interest expense for the relevant period, divided by the average capital employed for the period in question.

Capital employed

Balance sheet total less non-interest-bearing operating liabilities including deferred tax liabilities.

Return on equity

Net income for the relevant period as a percentage of average shareholders' equity for the period in question.

Interest coverage ratio

Profit/loss after net financial items plus interest expense, divided by interest expense.

P/E ratio

Share price at the end of the period in relation to earnings per share.

Dividend yield

Dividend as a percentage of the share price at the end of the period.

Cash flow before investments

Cash flow from operating activities.

Cash flow after investments

Cash flow from operating activities after investments, but excluding strategic investments and sales of fixed assets.

GLOSSARY

Market pulp	Pulp that is sold on the open market and transported to the customer. Approximately one third of the global pulp production is market pulp. The rest is produced at mills with integrated paper production or consumed within a group.	Long-fibre pulp	Pulp made from softwood that has longer cellulose fibres than hardwood.
BCTMP	Bleached Chemi Thermo Mechanical Pulp. Development of TMP, where the raw material is impregnated with chemicals. Stronger than TMP. The term is mainly used in North America and Asia (see CTMP).	Mechanical pulp	Pulp produced using a mechanical process for fibre separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. For example, groundwood pulp, TMP and CTMP/BCTMP.
BEK	Bleached Eucalyptus Kraft Pulp, bleached eucalyptus pulp.	NBSK	Northern Bleached Softwood Kraft Pulp: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
CTMP	Chemi Thermo Mechanical Pulp. Development of TMP, where the raw material is impregnated with chemicals. Stronger than TMP. The term is used in Europe both for bleached and unbleached pulp.	PIX	Market price indices published by FOEX.
ECF	Elementary Chlorine Free. Sulphate pulp that is bleached using chlorine dioxide instead of chlorine gas.	Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
High-yield pulp	Groundwood pulp, TMP and CTMP/BCTMP.	TMP	Thermo Mechanical Pulp: Mechanical pulp produced using a technique in which the chips are preheated with steam but without chemicals.
Chemical pulp	Paper pulp produced by boiling raw timber with chemicals. Chemical pulp can be bleached to higher brightness and has higher strength than mechanical pulp. Chemical pulp is usually sulphate pulp but can also be sulphite pulp.	UKP	Unbleached Kraft Pulp, unbleached sulphate pulp.
Short-fibre pulp	Pulp made from hardwood that has shorter cellulose fibres than softwood.		

CONSOLIDATED INCOME STATEMENTS

CONSOLIDATED INCOME STATEMENT (SEK MILLION)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net turnover	429	370	1,795	1,547
Change in inventories, finished goods	-10	18	10	-4
Other operating income	7	14	54	45
TOTAL INCOME	426	401	1,859	1,588
Raw materials and consumables	-211	-205	-899	-847
Other external costs	-140	-115	-420	-374
Employee benefit expenses	-57	-53	-219	-190
Depreciation/amortisation & impairment	-15	-15	-58	-59
TOTAL OPERATING EXPENSES	-423	-389	-1,596	-1,470
OPERATING PROFIT	3	13	263	118
Financial income	0	1	1	0
Financial expenses	-2	0	-5	-4
Total financial items	-2	1	-4	-4
PROFIT AFTER FINANCIAL ITEMS	1	13	259	114
Tax on income for the period	0	42	-36	20
PROFIT AFTER TAX	1	55	223	133
Average number of shares (thousand) ¹	152,572	152,572	152,572	152,572
Earnings per share (SEK) ¹	0.01	0.36	1.46	0.87

¹ No share-based programmes exist that would result in dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
PROFIT AFTER TAX	1	55	223	133
Other comprehensive income				
Items that have been or may be transferred to profit or loss for the period				
Cash-flow hedging, before tax	-8	7	-23	21
Cash-flow hedging, tax effect	2	-1	5	-6
Translation differences	0	0	0	2
TOTAL OTHER COMPREHENSIVE INCOME	-6	6	-18	17
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-5	61	205	150

KEY INDICATORS THAT AFFECT TURNOVER

Pulp price, NBSK list price (USD) ¹	820	932	857	925
SEK/USD ²	8.50	7.42	8.44	6.86
Pulp price NBSK, SEK	6,970	6,916	7,285	6,345
Rottneros' deliveries, tonnes	91,300	78,300	372,200	344,200

¹ PIX price is the source for the NBSK list price.

² Source: The Riksbank's yearly average.

SUMMARY CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Dec 2015	Dec 2014
Intangible fixed assets	7	5
Property, plant and equipment	659	615
Deferred tax assets	38	69
Financial fixed assets	2	2
Total fixed assets	706	691
Inventories	267	255
Current receivables	244	226
Cash and cash equivalents	169	89
Total current assets	680	570
TOTAL ASSETS	1,386	1,261
Shareholders' equity	1,058	975
Non-current liabilities		
Interest-bearing	-	30
Non-interest-bearing	18	9
Total non-current liabilities	18	39
Current liabilities		
Interest-bearing	-	0
Non-interest-bearing	310	247
Total current liabilities	310	247
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,386	1,261

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS (SEK MILLION)

	Jan-Dec 2015	Jan-Dec 2014
Operating profit	263	118
Adjustment for non-cash items		
Depreciation/amortisation/impairment losses	58	59
	321	177
Received/paid financial items	-3	-2
Received/paid taxes	-1	0
Cash flow from operating activities before working capital changes	317	175
Change in working capital	18	-71
Cash flow from operating activities	335	104
Investments in fixed assets	-103	-59
Sale of fixed assets	0	39
Cash flow from investing activities	-103	-20
Borrowings	-	30
Repayment of loans	-30	-60
Dividend paid	-122	-
Cash flow from financing activities	-152	-30
Net cash flow for the year	80	54
Cash and cash equivalents at the beginning of the year	89	35
Net cash flow for the year	80	54
Cash and cash equivalents at the end of the year	169	89

SUMMARY CHANGES IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Dec 2015	Jan-Dec 2014
Opening shareholders' equity	975	825
Total comprehensive income for the period	205	150
Dividend	-122	-
Closing shareholders' equity	1,058	975

SHARE DATA ¹

		Jan-Dec 2015	2014	2013	2012	2011	2010
Shares, opening ²	Number	152,572	152,572	152,572	152,572	152,572	1,525,719
Reverse share split ^{2,3}	Number	-	-	-	-	-	-1,373,147
Shares, closing ²	Number	152,572	152,572	152,572	152,572	152,572	152,572
Average number of shares ²	Number	152,572	152,572	152,572	152,572	152,572	152,572
Treasury shares ²	Number	822	822	822	822	822	822
Operating profit or loss/share	SEK	1.72	0.77	-1.01	0.04	-0.77	0.90
Earnings per share	SEK	1.46	0.87	-1.04	-0.09	-0.95	0.82
Cash flow after investments/share ⁴	SEK	1.52	0.29	0.16	-0.07	-0.80	0.50
Equity per share	SEK	6.93	6.39	5.41	6.51	6.65	8.05
Dividend per share ⁵	SEK	0.30	0.80	-	-	0.10	0.20
Dividend/equity per share	%	4.3	12.5	-	-	1.5	2.5
Share price at end of period	SEK	8.15	3.74	1.99	2.00	2.11	4.37
Share price/equity per share	times	1.2	0.6	0.4	0.3	0.3	0.5
P/E ratio	times	5.6	4.3	Neg.	Neg.	Neg.	5.3
Dividend yield ⁶	%	3.7	21.4	-	-	4.7	4.6

¹ None of the key ratios are affected by any dilution effect.

² The number of shares is in thousands, and excluding Rottneros' treasury shares.

³ There was a reverse share split in April 2010 where ten existing shares were combined as one share.

⁴ Cash flow after normal investments, but excluding strategic investments and sales of fixed assets, divided by the number of shares.

⁵ Proposed dividend stated for 2015.

⁶ The calculation of dividend yield is based on the share price at year-end.

QUARTERLY DATA FOR THE GROUP (SEK MILLION)

	2015				2014				2013			
	IV	III	II	I	IV	III	II	I	IV	III	II	I
Net turnover	429	455	456	454	370	404	394	380	317	349	369	354
Operating profit/loss before depreciation/amortisation	18	95	90	118	28	67	45	35	-27	7	-1	10
Depreciation/amortisation and impairment losses	-15	-14	-14	-14	-15	-14	-14	-14	-15	-96	-15	-16
Operating profit/loss	3	81	76	104	12	53	31	21	-42	-89	-16	-6
Net financial items	-2	-1	-1	-1	1	-1	0	-1	-1	-2	-4	2
Income after financial items	1	80	75	103	13	52	31	20	-43	-91	-20	-4
Taxes	0	-18	6	-23	41	-11	-7	-4	0	0	0	0
Profit/loss after tax	1	62	81	80	55	41	24	16	-43	-91	-20	-4
Pulp production, 1,000 tonnes	89	95	96	94	83	89	88	85	79	78	88	88
Pulp deliveries, 1,000 tonnes	91	95	95	91	78	89	90	87	76	83	88	86
Operating margin, %	0.7	17.8	16.7	22.8	3.4	13.1	8.0	5.7	Neg.	Neg.	Neg.	Neg.
Profit margin, %	0.2	17.6	16.4	22.7	3.4	12.9	8.0	5.3	Neg.	Neg.	Neg.	Neg.
Return on equity, %	0.1	5.7	7.6	7.6	6.1	4.7	2.9	1.8	Neg.	Neg.	Neg.	Neg.
Return on capital employed, %	0.3	7.2	7.1	9.8	1.4	5.6	3.6	1.8	Neg.	Neg.	Neg.	1.0
Equity/assets ratio, %	76.3	79.1	78.6	78.5	77.3	74.2	71.9	72.8	71.1	74.9	72.0	74.2
Debt/equity ratio, times	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	0.1	0.1	0.1	0.0	0.1	0.1
Interest coverage ratio, times	1.5	81.0	76.0	104.0	13.0	27.0	32.0	20.0	Neg.	Neg.	Neg.	Neg.
Equity per share, SEK	6.93	7.37	7.00	6.87	6.39	6.00	5.69	5.49	5.41	5.76	6.29	6.46
Earnings per share, SEK	0.01	0.41	0.53	0.52	0.36	0.26	0.16	0.10	-0.28	-0.59	-0.13	-0.03
Cash flow before investments/share, SEK	0.47	0.55	0.76	0.42	0.04	0.60	-0.02	0.06	0.01	0.31	-0.06	0.14
Cash flow after investments/share, SEK	0.06	0.37	0.71	0.39	-0.16	0.49	-0.03	-0.01	-0.11	0.24	-0.09	0.12
Investments in fixed assets, SEK million	62	30	6	5	30	6	13	10	17	12	4	2

PARENT COMPANY INCOME STATEMENTS

PARENT COMPANY INCOME STATEMENT (SEK MILLION)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net turnover	2	2	6	6
Other operating income	2	-1	11	-1
TOTAL INCOME	4	0	17	5
Other external costs	-5	-8	-10	-36
Employee benefit expenses	1	-10	-13	-23
TOTAL OPERATING EXPENSES	-4	-17	-23	-58
OPERATING PROFIT	0	-17	-6	-54
Profit from participations in group companies	234	98	234	98
Financial income, other	0	-3	0	-5
Financial expenses, other	-1	0	-2	-3
Total financial items	233	94	232	90
PROFIT AFTER FINANCIAL ITEMS	233	77	226	36
Tax on income for the period	-11	21	-10	21
PROFIT AFTER TAX	222	98	216	57

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
PROFIT AFTER TAX	222	98	216	57
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	222	98	216	57

PARENT COMPANY SUMMARY BALANCE SHEET

PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Dec 2015	Dec 2014
Intangible fixed assets	6	5
Property, plant and equipment	1	1
Financial fixed assets	309	272
Total fixed assets	316	278
Current receivables ¹	820	701
Cash and cash equivalents	1	1
Total current assets	821	702
TOTAL ASSETS	1,137	980
Shareholders' equity	1,010	916
Non-current liabilities		
Non-interest-bearing	3	1
Total non-current liabilities	3	1
Current liabilities		
Non-interest-bearing ²	124	63
Total current liabilities	124	63
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,137	980

¹ Including receivables from subsidiaries for SEK 657 (656) million.

² Including liabilities to subsidiaries for SEK 110 (50) million.

GROUP PERFORMANCE IN SUMMARY

GROUP PERFORMANCE IN SUMMARY

	Jan-Dec 2015	2014	2013	2012	2011	2010
KEY INDICATORS THAT AFFECT TURNOVER						
Pulp price NBSK, USD ¹	857	925	857	814	960	930
SEK/USD ²	8.44	6.86	6.51	6.78	6.50	7.21
Pulp price NBSK, SEK	7,285	6,345	5,582	5,519	6,229	6,705
Rottneros' deliveries, tonnes	372,200	344,200	332,100	331,400	311,400	330,300
Turnover and income, SEK million						
Net turnover	1,795	1,547	1,389	1,437	1,513	1,684
Operating profit/loss before depreciation/amortisation and impairment losses	321	176	-11	61	4	224
Depreciation/amortisation and impairment losses	-58	-59	-142	-55	-120	-86
Operating profit/loss	263	118	-154	6	-117	138
Net financial items	-4	-4	-4	0	-3	0
Profit/loss after net financial items	259	114	-158	6	-120	138
Profit/loss after tax	223	133	-158	-13	-144	125
Balance sheet items, SEK million						
Fixed assets	706	691	706	809	841	867
Inventories	267	255	246	240	276	213
Current receivables	244	226	175	219	209	259
Cash and cash equivalents	169	89	35	26	21	155
Shareholders' equity	1,058	975	825	993	1,014	1,228
Non-current interest-bearing liabilities	-	30	0	0	7	10
Non-current non-interest-bearing liabilities	18	9	13	15	11	0
Current interest-bearing liabilities	-	0	60	78	42	29
Current non-interest-bearing liabilities	310	247	264	208	275	227
Balance sheet total	1,386	1,261	1,161	1,294	1,347	1,494
Key ratios						
Operating margin, %	15	8	-11	0	-8	8
Profit margin, %	14	7	-11	0	-8	8
Return on capital employed, %	25	12	Neg.	0	Neg.	12
Return on equity, %	22	14	Neg.	Neg.	Neg.	11
Equity/assets ratio, %	76	77	71	77	75	82
Debt/equity ratio, times	-0.2	0.1	0.1	0.1	0.0	-0.1
Interest coverage ratio, times	53	29	Neg.	2	Neg.	26
Other						
Investments in fixed assets, SEK million	103	59	37	51	157	125
Average no. of employees	264	251	256	275	298	308

¹ PIX price is the source for the NBSK list price.

² Source: The Riksbank's yearly average

ROTTNEROS IN SUMMARY

Rottneros produces customised pulp for the open market.

ROTTNEROS

Rottneros had just over 260 employees and a turnover of approximately SEK 1.8 billion in 2015. The Group produced 373,300 tonnes of pulp in total.

ROTTNEROS IN FIGURES

SEK m	2015	2014	2013	2012	2011
Net turnover	1,795	1,547	1,389	1,437	1,513
Profit/loss after net financial items	259	114	-158	6	-120
Investments in fixed assets	103	59	37	51	157
Average number of employees	264	251	256	275	298
Production per employee (Ktonnes)	1.4	1.4	1.3	1.2	1.1

Ratios, %

Equity/assets ratio	76	77	71	77	75
Return on capital employed	25.5	12.4	Neg	0.1	Neg
Return on equity	21.9	13.6	Neg	Neg	Neg
Operating margin	14.7	7.6	-11.1	0.4	-7.8

SEK/share

Share price 31 Dec	8.15	3.74	1.99	2.00	2.11
Equity per share	6.93	6.39	5.41	6.51	6.65
Profit/loss after tax per share	1.46	0.87	-1.04	-0.09	-0.95
Cash flow after investments/share	1.52	0.29	0.16	-0.07	-0.80
Dividend ¹⁾	0.30	0.80	–	–	0.10

¹⁾ Proposed dividend for 2015.

THE GROUP'S PRODUCTS, DELIVERY VOLUME DISTRIBUTION



41% Bleached sulphate pulp
18% Unbleached sulphate pulp
23% CTMP
18% Groundwood pulp

GEOGRAPHICAL DISTRIBUTION OF TURNOVER



19% Germany
18% Italy
16% Sweden
10% U.S.A.
5% Other Nordic countries
22% Rest of Europe
10% Rest of world

THE WAY FORWARD

In order to achieve sustainable profitability Rottneros will offer products and services of the highest quality. Production at the mills is another key parameter in generating profitability. In February 2015, the Board decided on a strategic action plan to strengthen and develop Rottneros long term, Agenda 500. The focus on selected niches will continue under the plan. A planned capacity expansion will eliminate bottlenecks at the mills over the next few years.

OBJECTIVE

THE GROUP WILL ACHIEVE SUSTAINABLE PROFITABILITY OVER A BUSINESS CYCLE.

This will be accomplished through a **FOCUS ON SELECTED NICHES** where Rottneros has the capacity to achieve competitive advantages and become the market leader. Sales will be concentrated to those market segments where the Group is able to offer customers clear added value through high-quality and customised products.

→ INCREASED PRODUCTIVITY

Productivity is vital for sustainable profitability. The objective is to increase long-term productivity by continually developing our processes and carrying out well-planned and effective preventive maintenance work.

→ INCREASED PRODUCTION VOLUME

The company will increase pulp production volume by improving accessibility and expanding capacity.

→ IMPROVED SAFETY

Good order will prevail at Rottneros. Our objective is to have no sick days on account of work-related incidents.

→ SKILLS DEVELOPMENT

We will develop our skills and competence with the objective of having a workforce that is committed and safety-conscious.

→ THE LEADER IN SERVICE

Customers should perceive Rottneros as the leader in service. We will provide know-how on how the Group's products can be used to improve customers' end products within our chosen segments.

ROTTNEROS' MILL



GROUND-WOOD PULP

Spruce

Bleached/unbleached

Board Printing and writing paper Tissue paper

Production (tonnes)

2015	68,900
2014	52,800

+30%

CTMP

Spruce/pine

Bleached/unbleached

Board Tissue paper Printing and writing paper Filters

Production (tonnes)

2015	85,700
2014	80,800

+6%

CTMP

Aspen/birch

Bleached

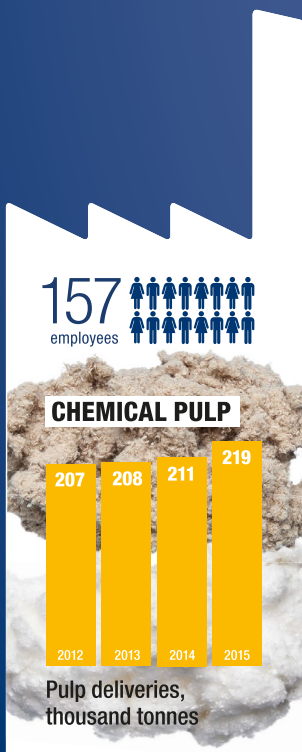
Printing and writing paper Fine paper

Production (tonnes)

2015	85,700
2014	80,800

+6%

VALLVIK'S MILL



LONG-FIBRE SULPHATE

Spruce/pine

Bleached

Printing and writing paper Tissue paper

Production (tonnes)

2015	153,300
2014	123,300

+24%

Board Filters

Unbleached

Kraft paper Filters Electrical insulating material

Production (tonnes)

2015	65,300
2014	88,000

-26%



Rottneros AB (publ)
Box 144, SE-826 23 Söderhamn, Sweden
Visiting address: Vallviks Bruk, SE-820 21 Vallvik, Sweden
Telephone +46 270-620 00
info@rottneros.com
www.rottneros.com