

ROTTNEROS

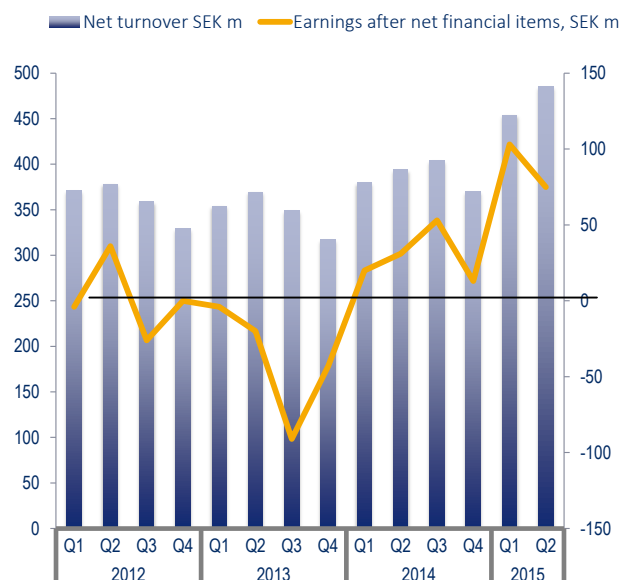
INTERIM REPORT JANUARY – JUNE 2015

The quarter in figures

	Apr-Jun 2015	Jan-Mar 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	Jan-Dec 2014
Net turnover, SEK m	456	454	394	910	773	1,684	1,547
Operating Income, SEK m	76	104	31	179	53	245	118
Income after net financial items, SEK m	75	103	31	177	50	242	114
Income after tax, SEK m	81	80	24	161	39	255	133
Earnings per share, SEK ¹	0.53	0.52	0.16	1.06	0.26	1.67	0.87
Cash flow before investments, SEK m	116	64	-3	180	6	278	104

¹ Basic and diluted

- Income after net financial items amounted to SEK 75 (31) million for the second quarter of 2015 and SEK 177 (50) for the six-month period, our best six-month performance in the current structure.
- Net turnover for the second quarter totalled SEK 456 (394) million, a 16% increase compared with 2014.
- Production volumes increased by 9% compared with the second quarter of 2014.
- The PIX price in USD declined during the second quarter and amounted to an average of USD 855. Denominated in SEK, the price decrease was 5% compared with the first quarter. Compared with the second quarter of 2014, the price increase in SEK was about 19%.
- Cash flow before investments for the second quarter of 2015 was strong at SEK 116 (-3) million and SEK 278 million on a rolling 12-month basis, compared with SEK 104 million for full-year 2014. Interest-bearing net receivables as of 30 June amounted to SEK 165 (-42) million.



COMMENTS BY THE PRESIDENT

The second quarter remained strong for the Rottneros Group. Profit after net financial items was SEK 75 million, an improvement of SEK 44 million compared with the same quarter in 2014. As in the first quarter, the improvement was mainly driven by both currencies and the pulp market moving in the right direction in relation to the corresponding quarter in 2014. Increased sales and production were also important factors. Both plants delivered good profitability and substantial improvements in earnings.

The higher volumes can be explained by the higher availability in production, especially at Rottneros Mill. This clearly shows the results of our determined efforts towards higher production volumes that we have conducted over the past year. Compared with the corresponding quarter last year, production increased by 9 per cent for the Group. At Rottneros Mill, volume increased an impressive 16 per cent, driven by a sharp upswing in groundwood pulp.

In general, customer demand for our grades of pulp remains stable. However, we have experienced continued pressure on prices during the quarter, mainly driven by an increased supply on the market. Translated into SEK, prices continue to be high, thanks to the weakening of the SEK against the USD.

Absorption Express, the high yield pulp for absorbing fluids, which we launched last fall, continues to exceed our expectations with respect to demand. During the quarter, we carried out yet another successful product launch, Bulk Booster, Rottneros' newly developed high-yield pulp for cardboard. It increases the bulk or thickness more than other available raw materials, increased bending stiffness is a quality that is crucial for many carton applications.

During the first half of the year Rottneros' Board of Directors decided on the first investments, for a total of SEK 180 million, to kick off our long-term industrial plan, Agenda 500. The plan is to increase the capacity of the Group through successive investments to eliminate the bottlenecks in the two mills. Investments are planned in renewed production equipment as well as in a stronger organisation. The long-term goal is to expand Rottneros' total capacity to reach a business volume of at least 460.000 tonnes of pulp per year, compared with the 345,000 tonnes produced last year. The total plan is about SEK 800 million for Agenda 500 in full, divided into about SEK 400 million in the medium term and SEK 400 million in the longer term. Compared with investment levels for increased capacity per tonne found in the international paper industry, Rottneros' investments are highly competitive. The pace of the investments will be determined by Rottneros' ability to allocate the increased volumes in the market.

We continue to have a good starting position for the future. The strong dollar more than compensates for the negative price trend. Our highly motivated employees are working intensively to expand our business towards higher volumes and thus more efficient production. I look forward to the coming year and the strategic steps that we will take.

Per Lundeen

THE PULP MARKET

MARKETS AND PRODUCTS

PULP MARKET INTERNATIONALLY

Underlying demand for pulp is robust in the emerging markets, but stagnating or only weakly growing within the OECD area. A structural decline in graphic paper, mainly in the mature markets, has been offset by increased fiber consumption in packaging and tissue paper, globally.

The market for market pulp during the first six months of 2015 was characterised by high outbound deliveries, mainly of short-fibre pulp, substantial inventory transfers between sellers and buyers, as well as rapidly shrinking price differences between long-fibre and short-fibre pulp.

Deliveries of chemical market pulp worldwide (World- 20) during the first six months of the year totalled 23 million tonnes, up four per cent from 2014. Capacity utilisation was 92 per cent. Producer stock levels at the end of June corresponded to 34 days of consumption.

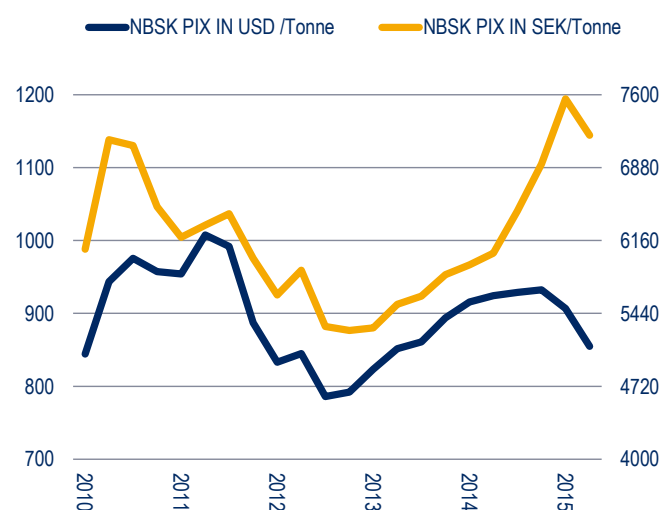
The market for long-fibre sulphate is well-balanced. Deliveries increased in the second quarter and after six months are now 0.6 per cent above the level for 2014. Producer stock levels at the end of the half year corresponded to 29 days of consumption.

The price of NBSK declined during the first quarter, but stabilised in mid-April, after which it held steady at a level somewhat above USD 850, about USD 80 lower than at the beginning of the year. The upswing in the price of short fibre that began last autumn has continued and since the turn of the year the price has risen by almost USD 60 to USD 800 in mid-July. The price gap between long and short-fibre pulp has thus

narrowed from USD 190 at the beginning of the year to USD 50 in mid-July.

Deliveries of BCTMP from the leading producing countries during the first six months of the year totalled 1.4 million tonnes, up 2 per cent from 2014. Capacity utilisation was 91 per cent and inventories at the end of June corresponded with 38 days of consumption. 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 continues to have a positive trend in both production and delivery volumes.

The rise in production volume compared with the previous year was about nine per cent for both the second quarter and the January–June period. Total production for the period amounts to 189,500 tonnes, compared with 173,100 tonnes in the corresponding period of the previous year

Deliveries during the second quarter of 2015 amounted to 95,300 (89,500) tonnes, an increase in volume of 6 per cent.

Deliveries during the January–June 2015 period amounted to 186,200 (176,700) tonnes, an increase in volume of five per cent.

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

PRODUCTION (TONNES)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	Jan-Dec 2014
Sulphate pulp	56,600	54,300	111,400	106,600	216,100	211,400
Groundwood pulp	17,800	14,100	35,100	26,800	61,100	52,800
CTMP	21,400	19,700	43,000	39,700	84,100	80,800
TOTAL	95,800	88,100	189,500	173,100	361,300	345,000

DELIVERIES (TONNES)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	Jan-Dec 2014
Sulphate pulp	55,700	56,300	111,700	111,900	211,100	211,300
Groundwood pulp	17,800	16,900	33,900	28,500	58,900	53,500
CTMP	21,800	16,300	40,600	36,300	83,700	79,400
TOTAL	95,300	89,500	186,200	176,700	353,700	344,200

Maintenance shutdowns and seasonal variations

A maintenance shutdown is planned for the mill in Rottneros during the fourth quarter of 2015. Last year there were two shutdowns, one in July that was combined with a maintenance initiative in October. At Vallvik Mill, the annual maintenance shutdown is planned for the fourth quarter of 2015, just like last year.

Costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

INVOICING AND RESULTS

April–June 2015 compared with April–June 2014

Deviation analysis

	April–June 2015	April–June 2014
NBSK PIX	855	924
SEK/USD	8.42	6.53
NBSK SEK	7,199	6,035
OPERATING INCOME	76	31
Price & Mix		-15
Currency		57
Volume		12
Variable costs		8
Hedging activities realised		-1
Other		-16
TOTAL DIFFERENCE		45

The average price of long-fibre sulphate pulp (NBSK) in USD decreased by 7 per cent compared with the same period the previous year. However, the increase in NBSK was 19 per cent denominated in SEK due to a stronger USD in relation to the SEK. Group net turnover amounted to SEK 456 (394) million for April to June 2015, an increase of about 16 per cent.

Increased production and volumes contributed SEK 7 million.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.20 (0.29) per kWh for the April to June 2015 period and had a positive impact on variable costs. However, this may not have a full impact since parts of electricity consumption are hedged at higher levels than current spot prices.

- The Group's operating profit for the quarter amounted to SEK 76 (31) million.
- Group profit after net financial items amounted to SEK 75 (31) million and includes net financial items of SEK -1 (0) million.
- Profit after tax amounted to SEK 81 (24) million.
- Earnings per share after tax amounted to SEK 0.53 (0.16).
- Cash flow per share amounted to SEK 1.09 (-0.07).

January–June 2015 compared with January–June 2014

Deviation analysis

	Jan-Jun 2015	Jan-Jun 2014
NBSK PIX	881	920
SEK/USD	8.38	6.53
NBSK SEK	7,380	6,035
OPERATING INCOME	179	53
Price & Mix	-10	
Currency	114	
Volume	16	
Variable costs	18	
Hedging activities realised	4	
Other	-16	
TOTAL DIFFERENCE	126	

The average price of long-fibre sulphate pulp (NBSK) in USD decreased by 4 per cent compared with the same period the previous year. The increase in SEK was 22 per cent. Group net turnover amounted to SEK 910 (773) million for January–June 2015, an increase of about 18 per cent.

Increased production and volumes contributed SEK 10 million.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.23 (0.28) per kWh for January–June 2015 and had a positive impact on variable costs.

- The Group's operating profit for the six-month period amounted to SEK 179 (53) million. The outcome of hedging activities realised amounted to SEK 6 (-2) million.
- Group profit after net financial items amounted to SEK 177 (50) million and includes net financial items of SEK -2 (-3) million.
- Profit after tax amounted to SEK 161 (39) million.
- Earnings per share after tax amounted to SEK 1.06 (0.26).
- Cash flow per share amounted to SEK 0.50 (-0.07).

INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 13 (23) million during January–June 2015.
- The Group had cash and cash equivalents amounting to SEK 165 million at the end of June 2015, compared with SEK 116 million at the end of March 2015.
- The Group had SEK 0 (67) million interest-bearing liabilities on 30 June 2015. Interest-bearing net receivables amounted to SEK 165 (-42) million.
- Total granted and unused credit facilities amounted to SEK 175 million.
- The equity/assets ratio amounted to 79 (72) per cent as of 30 June 2015.
- Equity per share amounted to SEK 7.00 (SEK 5.69 as of 30 June 2014).

CASH FLOW

- Cash flow from operating activities before investments for the first six months of 2015 amounted to SEK 180 (6) million. The increase in working capital had an adverse impact on cash flow of SEK 26 million during the year, mainly attributable to higher inventories of raw materials than at the end of 2014.
- Cash flow after investing activities for January–June 2015 was SEK 167 (-17) million.
- In the second quarter shareholders were paid dividends for a total of SEK 61 million.
- Cash flow for January–June 2015 was SEK 76 (-10) and was impacted by net repayments of debt and dividends paid, for a total of SEK -91 (7) million.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees for the January–June 2015 period amounted to 265 (251). The increase was mainly attributable to production personnel.

TAXES

Taxes for the January–June 2015 period are related to utilisation of previously capitalised loss carryforwards and activation of

previously unrecognised loss carryforwards. Based on the current level of profitability, the Board of Directors determined in connection with the interim financial statements that all previously unrecognised tax loss carryforwards have been capitalised.

Deferred tax assets related to the tax loss thus amounts to SEK 49 million as of 30 June 2015, equivalent to a taxable income of SEK 223 million.

PARENT COMPANY

Profit after net financial items for the parent company amounted to SEK -2 (-24) million for January–June. The result after net financial items includes hedging activities realised of SEK -3 (-13) million.

SHARE INFORMATION

Number of shares

As of 30 June 2015

Registered number of shares	153,393,890
- of which treasury shares	821,965

Largest shareholders as of 30 June 2015

Shareholders	Number of shares (=votes)	Percentage of capital
Arctic Paper SA	78,230,883	51
PROAD AB	7,605,235	5
Försäkringsbolaget Avanza Pension	5,534,141	4
Nordnet Pensionsföräkring AB	2,464,688	2
Försäkrings AB Skandia	1,538,979	1
Skandiaviska Enskilda Banken S.A. W8IMY	1,011,000	1
Schiller, Marcus	1,000,000	1
SEB Investment Management	808,383	1
AIF Clients	788,429	1
Andersson, Sten Oskar	760,000	0
Total holdings of 10 largest shareholders	99,741,738	65
Other shareholders	52,830,187	34
Rottneros AB (treasury stock 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.

Share price trend during the year

During the year the value of the share increased from SEK 3.74 to SEK 5.75 per share, an increase of 54%. Including the dividend of SEK 0.40, this gives a total for the year of 64%.

Transactions with related parties

Rottneros sold pulp to the related party Arctic Paper S.A. Group in the amount of SEK 54 (45) million. Outstanding operating receivable from Arctic Paper amounted to SEK 22 million on 30 June. 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.

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 the same as actual values, which was also the case at the end of 2014.

Income after financial items

Group	2015			2014			2013			
	II	I	IV	III	II	I	IV	III	II	I
Income after financial items	75	103	13	52	31	20	-43	-91	-20	-4
Whereof:										
Currency hedges	-3	2	-2	-1	-	-	3	-1	-2	2
Pulp price hedges	-	-	-8	-4	-2	-	-	-	-	3
Electricity hedges	-4	-3	-4	-3	-5	-5	-3	-3	-2	-1
Total hedges	-7	-1	-14	-8	-7	-5	-	-4	-4	4
Green electricity	1	1	1	1	1	1	1	1	1	1

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the main 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% and approximately 20% in EUR. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a pulp contract is between one and three months.

The average USD exchange rate was about 29% higher in April–June 2015 compared with the previous year and amounted to SEK/USD 8.42 compared with SEK/USD 6.53 for the corresponding period in 2014. The somewhat higher average exchange rate of the USD against the SEK compared with the first quarter of 2015 had a positive impact on revenue of SEK 2 million.

In addition, currencies were hedged in the form of forward contracts for EUR 3.2 million, at an average rate of SEK/EUR 9.04 for electricity purchases for the period 2015 to 2016. Other electricity hedges are denominated in SEK.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. As of 30 June there are no hedging contracts signed for 2015.

Electricity

All physical electricity for the Swedish 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 June 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.

Electricity hedging as of 30 June 2015

Year	Proportion hedged	EUR/MWh	SEK/kWh
2015	64%	35.0	32.2
2016	64%	31.2	28.2
2017	32%		25.8
2018	16%		26.4
2019	16%		27.8

The average price level for electricity on Nord Pool amounted to SEK 0.20 (0.29) per kWh for April–June 2015.

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

Market value (SEK million) June 2015

Hedging	Hedged volume	Hedging level	Market value	Reference value, Spot rate 30 June 2015
Currency EUR, forward sell	EUR 0 million	0 SEK/EUR	0	0 SEK/EUR
Currency EUR, forward buy	EUR 3.2 million	9.04 SEK/EUR	1	9.21 SEK/EUR
Currency USD, futures sold	USD 1 million	8.54 SEK/EUR	0	8.23 SEK/USD
Electricity	352,364 MWh	0.29 SEK/kWh	-19	0.233 SEK/kWh
Total market value			-18	

Market value (SEK million) June 2014

Hedging	Hedged volume	Hedging level	Market value	Reference value, Spot rate 31 June 2014
Currency EUR, forward sell	EUR 1 m	8.84 SEK/EUR	0	9.02 SEK/EUR
Currency EUR, forward buy	EUR 8 M	9.13 SEK/EUR	1	9.19 SEK/EUR
Pulp price	12,000 tonnes	5.72 SEK (PIX)	-6	SEK 6,240 (PIX)
Electricity	250,455 MWh	39 SEK/kWh	-19	0.276 SEK/kWh
Total market value			-24	

The table above shows the market values of all hedging. The value refers to the liquidation value; i.e. a valuation is made in accordance with forward contracts on 30 June 2015. The reference value refers to the spot rate on 30 June and is provided as supplementary information. As a result of the application of IFRS/IAS, these market values are reflected in the balance sheet.

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.

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 last annual report.

ANNUAL GENERAL MEETING

At the Annual General Meeting on 20 May 2015, the Meeting resolved to pay a dividend of SEK 61 million corresponding to an extra dividend of SEK 0.20 and an ordinary dividend of SEK 0.20 per share. Furthermore, the following were elected to the Board of Directors

Marie S Arwidson	Elected
Roger Asserstål	Re-elected
Rune Ingvarsson	Re-elected
Per Skoglund	Re-elected

Rune Ingvarsson was elected to serve as Chairman of the Board.

More information can be found on the company's website under Corporate Governance.

KEY EVENTS AFTER THE REPORTING DATE

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

FORTHCOMING FINANCIAL INFORMATION

13 November 2015 Interim report July–September
12 February 2016 Year-end report January–December

For more information, please visit Rottneros' website,
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 28 August 2015 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.

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The Board of Directors and the CEO certify that the six-month report gives a true and fair summary of the Group's and parent company's operations, financial position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Stockholm on 27 August 2015

Rune Ingvarsson
Chairman of the Board

Roger Asserståhl
Board Member

Marie S Arwidson
Board Member

Per Skoglund
Board Member

Bengt-Åke Andersson
Board Member

Mikael Lilja
Board Member

Per Lundeen
President and CEO



AUDITOR'S REVIEW REPORT

Rottneros AB (publ) corporate identity number 556013-5872

INTRODUCTION

We have reviewed the condensed interim financial information (the interim report) of Rottneros AB (publ) as of 30 June 2015 and the six-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm on 27 August 2015

Ernst & Young AB

Erik Sandström
Authorised Public Accountant

DEFINITIONS OF KEY RATIOS

Equity/assets ratio

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

Interest-bearing net assets/liabilities

Liquid assets 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 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 profit/loss divided by the average number of shares.

Return on capital employed

Profit 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 after tax.

Direct yield

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

Operating cash flow/share

Cash flow from operating activities and investments divided by the number of shares.

Cash flow before investments/share

Cash flow from operating activities divided by the number of shares.

GLOSSARY

Glossary

BEK	Bleached Eucalyptus Kraft, bleached eucalyptus pulp	NBSK	Northern Bleached Softwood Kraft: 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.	Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
ECF	Elementary Chlorine Free. Sulphate pulp bleached using chlorine dioxide only.	TMP	Thermo Mechanical Pulp: Mechanical pulp produced using a technique in which the chips are preheated with steam.
Chemical pulp	Paper pulp produced by boiling raw timber with chemicals. Has higher brightness and strength than mechanical pulp.	UKP	Unbleached Kraft Pulp, unbleached sulphate pulp
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.		

INCOME STATEMENTS GROUP

CONSOLIDATED INCOME STATEMENT (SEK MILLION)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	Full-year 2014
Net turnover	456	394	910	773	1,684	1,547
Change in inventories, finished goods	6	-12	11	-26	33	-4
Other operating income	7	14	34	25	55	45
TOTAL INCOME	469	396	955	772	1,772	1,588
Raw materials and consumables	-230	-213	-462	-427	-882	-847
Other external costs	-93	-91	-177	-172	-380	-374
Employee benefit expenses	-56	-47	-109	-92	-207	-190
Depreciation/amortisation & impairment	-14	-14	-28	-29	-58	-59
TOTAL COSTS	-393	-365	-776	-720	-1,527	-1,470
OPERATING INCOME	76	31	179	52	245	118
Financial income	0	1	0	0	1	0
Financial expenses	-1	-1	-2	-2	-4	-4
Total financial items	-1	0	-2	-2	-3	-4
INCOME AFTER FINANCIAL ITEMS	75	31	177	50	242	114
Tax on income for the year	6	-7	-16	-11	13	20
NET INCOME AFTER TAX	81	24	161	39	255	133
Earnings after tax/share, SEK ¹	0.53	0.16	1.06	0.26	1.67	0.87

¹ Profit after tax per share is the same before and after dilution. No dilution effects.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	Full-year 2014
NET INCOME AFTER TAX	81	24	161	39	255	133
Other comprehensive income						
Cash-flow hedging, profit/loss before tax	-7	9	-8	6	31	21
Cash-flow hedging, tax effect	2	-2	2	-1	-7	-6
Translation differences	-1	1	-1	1	1	2
TOTAL OTHER COMPREHENSIVE INCOME	-6	8	-7	6	25	17
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD²	75	32	154	45	280	150

²The entire comprehensive income is attributable to the parent company's shareholders

Factors affecting turnover

Pulp price, NBSK list price, USD ¹	855	924	881	920	923	925
SEK/USD ²	8.42	6.53	8.38	6.52	7.32	6.86
Pulp price NBSK, SEK	7,199	6,035	7,380	6,007	6,761	6,345
Rottneros' deliveries, tonnes	95,300	89,500	186,200	176,700	353,700	344,200

¹ Source: PIX/Market Pulse.

² Source: The Riksbank's yearly average

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Jun 2015	Jun 2014	Dec 2014
Intangible fixed assets	6	5	5
Property, plant and equipment	600	649	615
Deferred tax assets	54	40	69
Financial fixed assets	2	1	2
Total fixed assets	662	695	691
Inventories	272	224	255
Current receivables	260	264	226
Cash and cash equivalents	165	25	89
Total current assets	697	513	570
TOTAL ASSETS	1,359	1,208	1,261
Shareholders' equity	1,068	869	975
Long-term liabilities			
Interest-bearing	0	0	30
Non-interest-bearing	10	12	9
Total non-current liabilities	10	12	39
Current liabilities			
Interest-bearing	0	67	0
Non-interest-bearing	281	260	247
Total current liabilities	281	327	247
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,359	1,208	1,261

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CASH FLOWS (SEK MILLION)

	Jan-Jun 2015	Jan-Jun 2014	Rolling 12	Full-year 2014
Operating profit/loss	177	53	242	118
Adjustment for non cash-flow items				
Depreciation/amortisation/impairment losses	29	28	60	59
Other items not affecting cash flow	0	1	-1	0
	206	82	301	177
Received/paid financial items	2	-3	3	-2
Received/paid taxes	-2	0	-2	0
Cash flow from operating activities before working capital changes	206	79	302	175
Change in working capital	-26	-73	-24	-71
Cash flow from operating activities	180	6	278	104
Investments in fixed assets	-13	-23	-49	-59
Sale of fixed assets	0	0	39	39
Cash-flow from investing activities	-13	-23	-10	-20
Borrowings	0	7	23	30
Repayment of loans	-30	0	-90	-60
Dividend paid	-61	0	-61	0
Cash flow from financing activities	-91	7	-128	-30
Cash flow for the year	76	-10	140	54
Cash and cash equivalents at the beginning of the year	89	35	25	35
Cash flow for the year	76	-10	140	54
Cash and cash equivalents at end of year	165	25	165	89

CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Opening shareholders' equity	975	825	825
Total comprehensive income for the period	154	44	150
Dividend	-61	-	-
Closing shareholders' equity	1,068	869	975

SHARE DATA¹

		Jan-Jun 2015	Jan-Jun 2014	Rolling 12	Full-year 2014	2013	2012	2011	2010	2009
Shares, opening ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	1,525,719	180,212
Shares issued ²	Number	-	-	-	-	-	-	-	-	1,345,507
No. of company's own shares bought back ²	Number	-	-	-	-	-	-	-	-1,373,147	-
Buy-back of treasury shares ²	Number	822	822	822	822	822	822	822	822	8,220
Shares closing ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	152,572	1,525,719
Average number of shares ^{2/5}	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572	152,572	26,884
Operating profit or loss/share ⁵	SEK	1.17	0.21	1.61	0.77	-1.01	0.04	-0.77	0.90	-6.18
Profit/loss after tax per share ⁵	SEK	1.06	0.16	1.67	0.87	-1.04	-0.09	-0.95	0.82	-2.59
Operating cash flow/share ^{3/5}	SEK	0.50	-0.07	0.92	0.35	0.06	0.03	-0.74	0.51	2.74
Shareholders' equity per share ⁵	SEK	7.00	5.69	7.00	6.39	5.41	6.51	6.65	8.05	7.14
Dividend ⁵	SEK	0.40	-	0.40	-	-	-	0.10	0.20	-
Dividend/equity per share	%	5.7%	-	5.7%	-	-	-	1.50	2.50	-
Share price at end of period ⁵	SEK	5.75	2.57	5.75	3.74	1.99	2.00	2.11	4.37	6.90
Share price/equity per share	x	0.8	0.5	0.8	0.6	0.4	0.3	0.3	0.5	1.0
P/E ratio per share	x	5.4	16.2	3.4	4.3	Neg.	Neg.	Neg.	5.3	Neg.
Direct yield ⁴	%	7.0%	-	7.0%	-	-	-	4.7	4.6	-

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

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

³ Cash flow after normal investments, but excluding strategic investments.

⁴ Direct yield is calculated in relation to the closing listed price.

⁵ There was a reverse share split in April 2010, where ten existing shares were combined into one share. The comparison periods have been adjusted for this reverse split.

QUARTERLY DATA FOR THE GROUP (SEK MILLION)

	2015		2014				2013			
	II	I	IV	III	II	I	IV	III	II	I
Net turnover	456	454	370	404	394	380	317	349	369	354
Operating profit/loss before depreciation/amortisation	90	118	28	67	45	35	-27	7	-1	10
Depreciation/amortisation and impairment losses	-14	-14	-15	-14	-14	-14	-15	-96	-15	-16
Operating profit/loss	76	104	12	53	31	21	-42	-89	-16	-6
Net financial items	-1	-1	1	-1	0	-1	-1	-2	-4	2
Income after financial items	75	103	13	52	31	20	-43	-91	-20	-4
Taxes	6	-23	41	-11	-7	-4	0	0	0	0
Net income after tax	81	80	55	41	24	16	-43	-91	-20	-4
Pulp production, 1,000 tonnes	96	94	83	89	88	85	79	78	88	88
Pulp deliveries, 1,000 tonnes	95	91	78	89	90	87	76	83	88	86
Operating margin, %	16.7	22.8	3.4	13.1	8.0	5.7	Neg.	Neg.	Neg.	Neg.
Return on equity, %	7.6	7.6	6.1	4.7	2.9	1.8	Neg.	Neg.	Neg.	Neg.
Return on capital employed, %	7.1	9.8	1.4	5.6	3.6	1.8	Neg.	Neg.	Neg.	1.0
Equity/assets ratio, %	78.6	78.5	77.3	74.2	71.9	72.8	71.1	74.9	72.0	74.2
Equity/share, SEK	7.00	6.87	6.39	6.00	5.69	5.49	5.41	5.76	6.29	6.46
Earnings after tax/share, SEK	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	1.18	0.42	0.04	0.60	0.04	-0.01	0.02	0.31	-0.06	0.14
Operating cash flow/share, SEK	1.09	0.38	0.10	0.26	-0.07	-0.07	-0.03	-0.04	0.04	0.09

INCOME STATEMENT – PARENT COMPANY

INCOME STATEMENT – PARENT COMPANY (SEK MILLION)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Net turnover	1	2	3	3	6
Other operating income	8	1	12	3	-1
TOTAL INCOME	9	3	15	6	5
Other external costs	-10	-12	-11	-21	-36
Employee benefit expenses	-1	-3	-6	-7	-23
TOTAL COSTS	-11	-15	-17	-28	-58
OPERATING INCOME	-2	-12	-2	-22	-54
Profit from participations in group companies					98
Financial income, other	-1	0	0	0	-5
Financial expenses, other	0	-1	0	-2	-3
Total financial items	-1	-1	0	-2	89
INCOME AFTER FINANCIAL ITEMS	-3	-13	-2	-24	36
Tax on income for the year	0	0	0	0	21
NET INCOME AFTER TAX	-3	-13	-2	-24	57

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
NET PROFIT/LOSS AFTER TAX	-3	-13	-2	-24	57
Other comprehensive income					
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-3	-13	-2	-24	57

BALANCE SHEET – PARENT COMPANY

PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Jun 2015	Jun 2014	Dec 2014
Intangible fixed assets	6	5	5
Property, plant and equipment	1	33	1
Financial fixed assets	272	251	272
Total fixed assets	278	289	278
Current receivables ¹	499	685	701
Cash and cash equivalents	150	1	1
Total current assets	649	687	702
TOTAL ASSETS	928	976	980
Shareholders' equity	853	834	916
Long-term liabilities			
Non-interest-bearing	2		1
Total non-current liabilities	2		1
Current liabilities			
Interest-bearing	-	68	-
Non-interest-bearing	73	74	63
Total current liabilities	73	142	63
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	928	976	980

¹ Including receivable on subsidiaries SEK 498 (681) million.

GROUP PERFORMANCE IN SUMMARY

GROUP PERFORMANCE IN SUMMARY

	Jan-Jun 2015	Jan-Jun 2014	Rolling 12 months	2014	2013	2012	2011	2010
KEY INDICATORS THAT AFFECT TURNOVER								
Pulp price NBSK, USD ¹	855	920	923	925	857	814	960	930
SEK/USD ²	8.42	6.53	7.32	6.86	6.51	6.78	6.50	7.21
Pulp price NBSK, SEK	7,199	6,035	6,761	6,345	5,582	5,519	6,229	6,705
Rottneros' deliveries, tonnes	95,300	176,700	353,700	344,200	332,100	331,400	311,400	330,300
Turnover and income, SEK million								
Net turnover	910	773	1,684	1,547	1,389	1,437	1,513	1,684
Income before depreciation/amortisation and impairment losses	207	82	303	176	-11	61	4	224
Depreciation/amortisation and impairment losses	-28	-29	-58	-59	-142	-55	-120	-86
Operating income after depreciation/amortisation and impairment losses	179	53	245	118	-154	6	-117	138
Net financial items	-2	-2	-3	-4	-4	0	-3	0
Income after net financial items	177	50	242	114	-158	6	-120	138
Net income after tax	161	39	255	133	-158	-13	-144	125
Balance sheet items (SEK m)								
Fixed assets	662	695	662	691	706	809	841	867
Inventories	272	224	272	255	246	240	276	213
Current receivables	260	264	260	226	175	219	209	259
Cash and cash equivalents	165	25	165	89	35	26	21	155
Shareholders' equity	1,068	869	1,068	975	825	993	1,014	1,228
Long-term interest-bearing liabilities	0	0	0	30	0	0	7	10
Long-term non-interest-bearing liabilities	10	12	10	9	13	15	11	0
Current interest-bearing liabilities	0	67	0	0	60	78	42	29
Current non-interest-bearing liabilities	281	260	281	247	264	208	275	227
Balance sheet total	1,359	1,208	1,359	1,261	1,161	1,294	1,347	1,494
Key ratios								
Operating margin, %	20	7	15	8	neg.	0	-8	8
Profit margin, %	19	6	14	7	neg.	0	-8	8
Return on capital employed, %	18	2	24	12	Neg.	0	Neg.	12
Return on equity after tax, %	15	4	24	14	Neg.	Neg.	Neg.	11
Equity/assets ratio, %	79	73	79	77	71	77	75	82
Debt/equity ratio, times	-0.2	0.1	-0.2	0.1	0.1	0.1	0.0	-0.1
Interest cover, times	89	20	82	29	Neg.	2	Neg.	26
Other								
Capital expenditure, SEK m	11	23	8	20	35	46	157	125
Average no. of employees	265	251	258	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 market pulp market.

ROTTNEROS

Rottneros had just over 250 employees and a turnover of approximately SEK 1.5 billion in 2014. The Group produced 345,000 tonnes of pulp in total.

ROTTNEROS IN FIGURES

SEK m	2014	2013	2012	2011	2010
Net turnover	1,547	1,389	1,437	1,513	1,684
Profit/loss after net financial items	114	-158	6	-120	138
Investments in fixed assets	59	35	51	157	125
Average number of employees	251	256	275	298	308
Production per employee (Ktonnes)	1.4	1.3	1.2	1.1	1.0

RATIOS

Equity/assets ratio	77.4	71	77	75	82
Return on capital employed	12.4	Neg	Neg	Neg	11.6
Return on equity	13.6	Neg	Neg	Neg	10.8
Operating margin	7.6	-11.1	0.4	-7.8	8.2

SEK/SHARE

Share price 31 Dec	3.74	1.99	2.00	2.11	4.37
Equity per share ¹	6.38	5.41	6.51	6.65	8.05
Profit/loss after tax per share ¹	0.87	-1.04	-0.09	-0.95	0.82
Operating cash flow per share ^{1,2}	0.35	0.06	0.03	-0.74	0.51
Dividend ^{1,3}	0.40	0.0	0.0	0.0	0.20

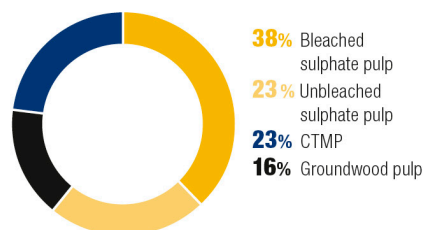
¹ There was a reverse share split in April 2010 where ten existing shares were combined as one share.

The comparison periods have been adjusted for this reverse split.

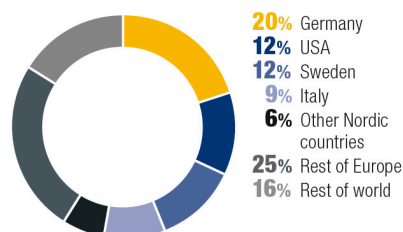
² Cash flow after normal investments but excl. strategic investments.

³ Proposed dividend for 2014.

THE GROUP'S PRODUCTS, DELIVERY VOLUME DISTRIBUTION



GEOGRAPHICAL DISTRIBUTION OF TURNOVER



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

Pulp deliveries
(thousand tonnes)



HIGH YIELD PULP

88 employees

125069.1

GROUND-WOOD PULP



Bleached/unbleached



Production (tonnes)



CTMP



Bleached/unbleached



Production (tonnes)



CTMP



Bleached



VALLVIK MILL

Pulp deliveries
(thousand tonnes)



CHEMICAL PULP

151 employees

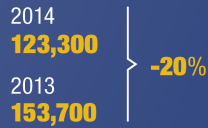
LONG-FIBRE SULPHATE



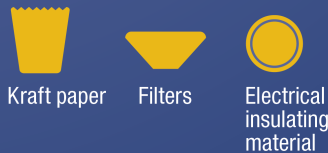
Bleached



Production (tonnes)



Unbleached



Production (tonnes)





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