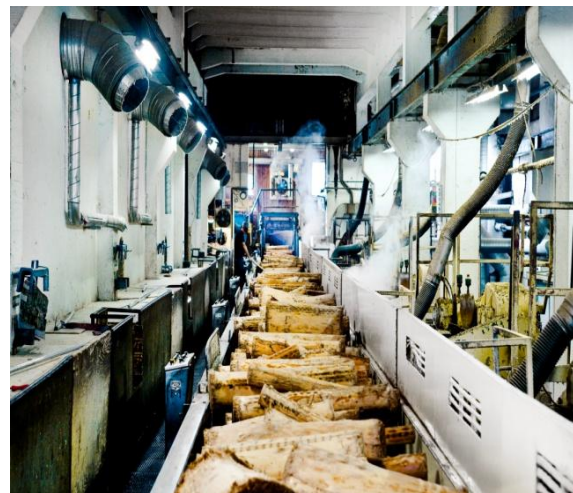


Rottneros

Interim Report January–September 2013

	Quarter			Full year	
	III 2013	II 2013	III 2012	Jan-Sep 2013	Jan-Sep 2012
Net turnover, SEK m	349	369	359	1 072	1 108
Income after net financial items, SEK m ¹	-11	-8	-26	-23	6
<i>including items affecting comparability</i>	-91	-20	-26	-115	6
Earnings per share after net financial items, SEK ¹	-0,07	-0,05	-0,17	-0,15	0,04
<i>including items affecting comparability</i>	-0,59	-0,13	-0,17	-0,75	0,04
Profit/loss after tax, SEK m ¹	-11	-8	-26	-23	-3
<i>including items affecting comparability</i>	-91	-20	-26	-115	-3
Earnings per share after tax, SEK ¹	-0,07	-0,05	-0,17	-0,15	-0,02
<i>including items affecting comparability</i>	-0,59	-0,13	-0,17	-0,75	-0,02
Cash flow before investments	47	-9	14	60	49
Cash flow before investments per share, SEK	0,31	-0,06	0,09	0,39	0,32
Cash flow per share, SEK	-0,04	0,04	0,00	0,09	0,04
	30-9-2013	30-6-2013	30-9-2012	2012-12-31	
Shareholders' equity per share, SEK	5,76	6,29	6,58	6,51	
Equity/assets ratio, %	75	72	76	77	

- Loss after net financial items amounted to SEK -23 (6) million for January to September 2013 before impairment losses and one-off costs, which amounted to SEK 92 million. Operating loss amounted to SEK -19 million for January to September.
- Loss after net financial items for the third quarter of 2013 was affected by impairment losses of SEK 80 million referable to the CTMP plant from Utansjö Mill. Loss after net financial items amounted to SEK -91 million after these impairments.
- Cash flow from operating activities amounted to SEK 47 (14) million for the third quarter of 2013. This positive cash flow is fully explained by a reduction in working capital.
- The Board of Directors has decided to carry on with the operation of the groundwood line at Rottneros Mill and has thus repealed a previous decision to close the line.
- Carl-Johan Jonsson took office as the new CEO and President on 1 July 2013.



The groundwood mill at Rottneros Mill

CEO's statement

The global pulp market is continuing to improve this autumn. NBSK deliveries to China increased further in September, and demand for NBSK from Europe/North America continued to be good. The supply of pulp for the remaining of the year will be affected by many producers having a number of maintenance shutdowns. There is expected to be a further rise in demand from, among others, tissue paper producers whose utilisation of production capacity is already high, as several of them will start-up new tissue paper machines during the autumn. There is a corresponding market situation for CTMP, with stronger demand during the autumn following a period characterised by uncertainty.

Taken overall, there appears to be a favourable outlook for the long-fibre pulp market for the rest of the autumn.

There is currently (mid-October) a clear upward price trend for NSBK in many markets. Several producers have announced price increases from 1 October, taking us to a price level of USD 900 per tonne in Europe.

The continued strength of the SEK and the lower production availability at Vallvik have had a negative impact on our result. We are pleased to announce that the groundwood line at Rottneros Mill will now return to full production during the autumn following a decision taken by the Board of Directors to resume full operation.

At Rottneros we have this autumn initiated an extensive thoroughgoing change process. Our areas of focus include improving availability of production and the utilisation of capacity at both mills, together with the optimisation of internal processes, such as logistics, purchasing, administration and use of raw materials. In addition, we are increasing our activities to further improve safety for our employees.

All levels of the company will be involved in order to ensure a consensus of the prevailing situation, our strategic objectives and how to achieve the defined objectives. The main prerequisite for future success is in fact to establish a common understanding on all matters. Of course it will be necessary to take action. We will reshape our business culture and implement the responses required to ensure the sustainable, long-term profitability of Rottneros, in which we all can take pride together. Let us consider the challenges we face as our opportunities.

It is from now and onward that we will proceed forward!

Carl-Johan Jonsson

THE PULP MARKET

Markets and products

The paper pulp market continued to have a good balance between supply and demand during the third quarter of 2013.

Pulp producers implemented price increases of approximately USD 15 per tonne during the third quarter of the year up to approximately USD 875 per tonne at the end of September. The PIX price for bleached sulphate pulp was USD 810 per tonne at the start of the year. This price rose by over USD 65 per tonne during the first nine months of the year, while the price of bleached short-fibre sulphate pulp fell by USD 5 per tonne. Producers have announced further price increases for October. The price of bleached long-fibre sulphate pulp after the first three quarters of the year was approximately USD 110 per tonne higher than the prices for the same period of 2012.

The price variance for bleached long-fibre sulphate pulp compared with bleached short-fibre sulphate pulp increased by approximately USD 60 per tonne during

the third quarter. This variance was approximately USD 35 per tonne at the beginning of 2013, approximately USD 40 per tonne after the second quarter and approximately USD 105 per tonne at the end of the third quarter of 2013. This means that the variance in the PIX price has reverted to previous historical levels.

The PIX price for bleached short-fibre sulphate pulp fell by approximately USD 45 per tonne in the third quarter, while the price for bleached long-fibre sulphate pulp rose by approximately USD 15 per tonne.

Statistics for bleached chemical market pulp for the total global market showed that deliveries for January to August 2013 amounted to SEK 28.3 (27.6) million tonnes, which was 2.6% higher than the same period in 2012, despite an extra shipping date in 2012. Global delivery capacity utilisation for bleached chemical pulp was 91% (91%) for the period January to August 2013. Production capacity utilisation for the period has been estimated at 95% (92%). Global

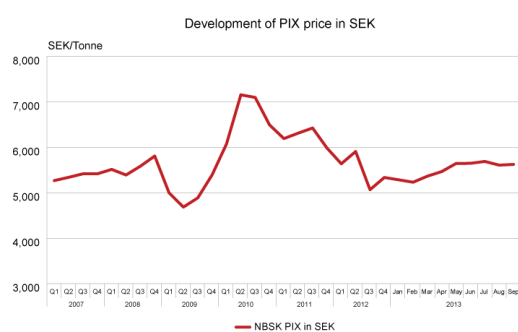
producer stocks of bleached chemical pulp amounted to approximately 4.3 (4.1) million tonnes at the end of August.

Long-fibre chemical pulp (NBSK) (produced at Vallvik)

There is a good balance in the market for bleached long-fibre chemical pulp, despite an increase in stock of approximately 25,000 tonnes up to the end of August. Producer stock levels of long-fibre chemical pulp are low, corresponding to 28 days' production, which is one day lower than at the beginning of the year. Deliveries of bleached long-fibre chemical pulp amounted to 15.03 (14.55) million tonnes for January to August 2013, which was 3.3% higher than the same period of 2012. Delivery capacity utilisation for the period January to August 2013 amounted to 95% (94%) and production capacity utilisation to approximately 95% (92%).

Mechanical pulp and CTMP (produced at Rottneros)

The price of CTMP in the Western European market amounted to approximately USD 590-600 per tonne at the beginning of the year. The price was USD 30 higher per tonne at the end of the third quarter, with some variations depending on market and quality. Deliveries fell by two per cent for the period January to August 2013 compared with the same period of 2012. Deliveries amounted to 1.8 million tonnes for January to August 2013. Delivery capacity utilisation for the period January to August 2013 was 91% (95%) and production capacity utilisation was 90% (95%).



PRODUCTION AND DELIVERIES

The Group's pulp mills at Rottneros and Vallvik have a combined annual production capacity of almost 400,000 tonnes. Production amounted to 254,500 (244,200) tonnes for January to September 2013. Rottneros Mill's production of CTMP increased by 900 tonnes, and the mill's production of groundwood pulp is 5,200 tonnes higher this year compared with

last year, when significant market-related production limitations were made.

Deliveries amounted to 255,900 (252,100) tonnes for 2013. Vallvik Mill's deliveries of sulphate pulp remained the same compared with the same period of the previous year. Deliveries of groundwood pulp from Rottneros Mill increased by 3,400 tonnes compared with the same period of 2012 as a consequence of a stronger market.

PRODUCTION (TONNES)				
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012
Sulphate pulp	53,200	47,000	160,300	156,100
Groundwood pulp	11,700	12,300	42,600	37,400
CTMP	13,100	13,300	51,600	50,700
TOTAL	78,000	72,600	254,500	244,200

DELIVERIES (TONNES)				
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012
Sulphate pulp	56,600	55,900	163,600	162,700
Groundwood pulp	11,600	14,400	42,300	38,900
CTMP	14,400	14,700	50,000	50,500
TOTAL	82,600	85,000	255,900	252,100

Maintenance shutdowns and seasonal variations

A holiday shutdown took place at Rottneros Mill at the turn of the month for July and August, which was combined with minor annual maintenance work. A maintenance shutdown will take place at Vallvik Mill this year, which will be effected for the most part during the fourth quarter. Total cost this year is expected to be approximately 30 (25) million. Costs relating to maintenance shutdowns are recognised in the period during which a shutdown takes place. Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

SIGNIFICANT EVENTS

Impairment losses and one-off costs

The result for the third quarter has been affected by impairment losses of SEK 80 million relating to the CTMP plant from Utansjö Mill. The book value amounted to SEK 25 million at the end of September.

Work continued during the year to sell the CTMP line, or alternatively to find a new use for it, but this has still not yet led to any concrete deals. Positive discussions continued with a number of interested parties. However, the sales process has been underway for several years, for which reason the current assessment is that there is little likelihood of the plant being disposed of in its entirety in the near future. This resulted in the previously announced review of the book value of the plant being conducted during the autumn.

As a basis for the change in value, the company obtained an external assessment of the market value

of the plant's constituent parts in a second-hand market.

In addition, the result for the second quarter was affected by one-off costs in respect of the departing CEO under applicable contracts.

INVOICING AND RESULTS

January to September 2013 compared with January to September 2012

DEVIATION ANALYSIS		
	Jan-Sep 2013	Jan-Sep 2012
NBSK PIX	845	821
SEK/USD	6.51	6.82
NBSK SEK	5,507	5,598
OPERATING INCOME	-111	5
Price	-17	
Currency	-50	
Volume	28	
Variable costs	28	
Total write-downs and one-off costs	-92	
Other	-13	
TOTAL	-116	

Group net turnover amounted to SEK 1,072 (1,108) million for January to September 2013. The average price of long-fibre sulphate pulp (NBSK) in USD was USD 24 higher than the previous year, while the average price of NBSK pulp converted into SEK was 2% lower on account of a negative USD trend.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.34 (0.27) per kWh for January to September 2013, which is 26% higher than the same period of the previous year.

- Group operating loss amounted to SEK -111 (5) million for January to September 2013. Besides an impairment loss of SEK 80 million, the negative result was affected by costs relating to salary, pension and payroll overheads under the contract for the departing CEO. The operating loss excluding these costs amounted to SEK -19 million for the period. Hedging activities realised in 2013 amounted to a loss of SEK -3 (-5) million.
- Group loss after net financial items amounted to SEK -115 (6) million and includes net financial items of SEK -4 (1) million.
- Loss after tax: SEK -115 (-3) million.
- Earnings per share after tax: SEK -0.75 (-0.02).
- Cash flow per share: SEK 0.09 (0.04).

July to September 2013 compared with July to September 2012

DEVIATION ANALYSIS		
	Jul-Sep 2013	Jul-Sep 2012
NBSK PIX	861	786
SEK/USD	6.55	6.75
NBSK SEK	5,641	5,308
OPERATING INCOME	-89	-28
Price		9
Currency		-11
Volume		11
Variable costs		8
Total write-downs and one-off costs		-80
Other		2
TOTAL		-61

Group net turnover amounted to SEK 349 million for the third quarter of 2013 compared with SEK 359 million for the previous year. The average price of long-fibre sulphate pulp (NBSK) in USD was 10% higher than the previous year, while the average price of NBSK pulp converted into SEK was only 6% higher as an effect of a weaker USD in 2013.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.46 per kWh for the third quarter of 2013 compared with SEK 0.20 per kWh for the same period of 2012, representing an increase of 130%.

- Group operating loss amounted to SEK -89 (-28) million for the third quarter of 2013. The result for the period was affected by the impairment loss of SEK 80 million. The negative result for 2012 was affected by approximately SEK -25 million as a consequence of the maintenance shutdown at Vallvik, which will occur during the fourth quarter this year. Hedging activities realised for the third quarter of 2013 amounted to a loss of SEK -3 (3) million.
- Group loss after net financial items amounted to SEK -91 (-26) million and includes net financial items of SEK -2 (2) million.
- Loss after tax: SEK -91 (-26) million.
- Earnings per share after tax: SEK -0.59 (-0.17).
- Cash flow per share: SEK -0.04 (0.00).

July to September 2013 compared with April to June 2013

DEVIATION ANALYSIS		
	Jul-Sep 2013	Apr-Jun 2013
NBSK PIX	861	851
SEK/USD	6.55	6.56
NBSK SEK	5,641	5,583
OPERATING INCOME	-89	-16
Price		3
Currency		-1
Volume		-9
Variable costs		6
Total write-downs and one-off costs		-68
Other		-4
TOTAL		-73

Group net turnover amounted to SEK 349 million for the third quarter of 2013 compared with SEK 369 million for the second quarter. The average price for long-fibre sulphate pulp (NBSK) in USD increased from USD 851 to USD 861 compared with the first quarter, representing an increase of 1%. Furthermore, a corresponding increase in the average prices for NBSK pulp converted into SEK was 1%, as the average USD rate remained the same during the period. However, the Swedish krona was significantly stronger in relation to the USD at the end of the period owing to uncertainties in the currency market.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.46 per kWh for the third quarter of 2013 compared with SEK 0.33 per kWh for the second quarter.

Group operating loss amounted to SEK -89 million for the third quarter of 2013, compared with the second quarter, when operating loss amounted to SEK -16 million. The result for the second quarter was affected by costs relating to the departing CEO's salary, pension and payroll overheads under the contract and impairment losses of SEK 80 million during the third quarter. Hedging activities realised for the third quarter of 2013 amounted to a loss of SEK -3 (-4) million.

Group loss after net financial items amounted to SEK -91 million for the third quarter of 2013 compared with SEK -20 million for the second quarter.

INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 18 (44) million for January to September 2013.
- The Group had liquid funds amounting to SEK 40 million at the end of September 2013,

compared with SEK 26 million at the end of December 2012.

- The Group had total interest-bearing liabilities of SEK 49 million on 30 September 2013 (SEK 78 million on 31 December 2012). Interest-bearing net liabilities amounted to SEK 9 million (SEK 52 million on 31 December 2012).
- Total approved but unutilised credit facilities amounted to SEK 141 million on 30 September 2013 and total approved credit facilities amounted to SEK 150 million.
- The equity/assets ratio was 75% on 30 September 2013, representing a reduction of two percentage units compared with 31 December 2012.
- Equity per share amounted to SEK 5.76 (SEK 6.51 on 31 December 2012).

CASH FLOW

Cash flow from operating activities before investments amounted to SEK 60 (49) million for January to September 2013 and included cash flow of SEK 1 (-10) million from financial hedging. The reduction in working capital during the period had a positive effect on cash flow of SEK 50 million. A corresponding reduction in working capital in the previous year had a positive effect on cash flow of SEK 10 million.

PARENT COMPANY

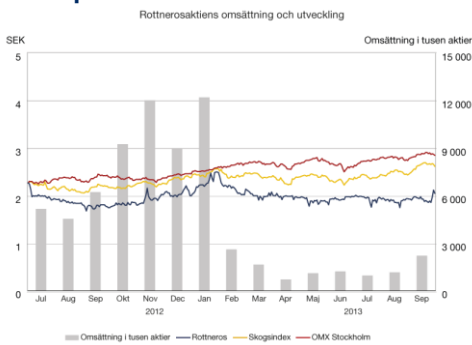
The parent company's loss after net financial items amounted to SEK -80 (-22) million for January to September 2013. Shares in the subsidiary have been impaired by SEK 45 million at the parent company as a consequence of the impairment loss in respect of the CTMP plant from Utansjö Mill, as described above. The result after net financial items includes hedging activities realised for the Group, which affected the result by SEK -3 (-5) million.

The parent company's balance sheet and income statement can be found on pages 13 to 14.

SHARE INFORMATION

NUMBER OF SHARES	
	30 September 2013
Registered number of shares	153,393,890
- of which treasury shares	821,965

Share price



LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2013

Shareholder	Number of shares (=votes)	Percentage of capital
Arctic Paper SA	82,726,339	53.9
JP Morgan Bank	11,051,696	7.2
Robur Försäkring	7,043,891	4.6
Clearstream Banking S.A., W8IMY	5,600,280	3.7
Åkesson, Morgan	2,325,000	1.5
BBVA Ireland P.L.C	2,323,139	1.5
Försäkringsaktiebolaget, Avanza Pension	1,616,316	1.1
Försäkrings AB Skandia	1,533,004	1.0
Catella Bank S A	1,518,932	1.0
Larsson Bo	1,489,104	1.0
Total holdings of 10 largest shareholders	117,227,701	76.4
Rottneros AB (treasury stock from buy-back)	821,965	0.5
Other shareholders	35,344,224	23.1
TOTAL	153,393,890	100.0

Treasury shares

The number of shares in Rottneros amounts to 153,393,890. Rottneros' holding of treasury shares amounts to 821,965 shares.

Transactions with related parties

Rottneros sold pulp to the related group Arctic Paper S.A., which amounted to SEK 93 (80) million. This was undertaken on normal market terms but with a lower level of credit insurance owing to the group relationship between Arctic Paper and Rottneros.

Dividend

The AGM held on 22 March 2013 resolved that a dividend would not be declared.

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 prices of pulp, timber and electricity.

Profit/loss after financial items

Group	2013				2012			Full year
	III	II	I	IV	III	II	I	
Profit/loss after financial items	-91	-20	-4	0	-26	36	-4	6
Whereof:								
Currency hedges	-1	-2	2	2	5	-2	2	7
Pulp price hedges	1	-0	3	7	6	2	-	15
Electricity hedges	-3	-2	-1	-5	-8	-6	-4	-23
Total hedges	-3	-4	4	4	3	-6	-2	-1
Green electricity	1	1	1	7	5	5	5	22

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the main underlying currency for the pulp price is predominantly USD. About 10% of invoicing is contracted in SEK, with EUR as the invoicing currency. The underlying exposure to USD is thus very high, and the direct inflow of USD (the real flow) corresponds to approximately 45%. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a contract is between one and three months.

The average USD exchange rate was 5% lower for January to September 2013 compared with the same period of the previous year, amounting to an average of SEK 6.51/USD for the period, compared with SEK 6.82/USD for January to September 2012.

The lower average exchange rate for USD in relation to SEK compared with the third quarter of 2012 had a negative impact on revenue of SEK 11 million. At the end of September 2013, currencies were hedged in the form of forward contracts concluded for USD 9 million, at an average rate of SEK 6.72/USD, for deliveries in 2013. In addition to this, currencies were hedged in the form of forward contracts concluded for EUR 11 million, at an average rate of SEK 9.17/EUR, for electricity purchases for the period 2013 to 2016.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. Contracts for 2013 were concluded at the beginning of the year for 2,000 tonnes per month at a price of SEK 5,700 per tonne for the period January to September. The profit realised by this hedging amounted to SEK 3 million for the first nine months of 2013. No new contracts have been concluded during the year.

Electricity

All physical electricity for the Swedish mills is purchased directly via the Nord Pool electricity exchange. Electricity prices are listed in EUR. At the end of September 2013, electricity was hedged corresponding to the specified percentage of forecast consumption shown in the table. Average prices in

EUR/MWh are provided in the table together with average prices in SEK/kWh (based on EUR forward exchange rates as of 30 September 2013).

ELECTRICITY HEDGING AT 30 SEPTEMBER 2013

Year	Part hedged	EUR/MWh	SEK/kWh
2013 Q4	56%	45.4	0.39
2014	39%	46.5	0.41
2015	31%	44.3	0.39
2016	19%	37.0	0.33

Hedging contracts for EUR were concluded in respect of electricity costs for the period 2013 to 2016 amounting in total to EUR 11 million at an average rate of SEK 9.17/EUR.

The average price level for electricity on Nord Pool amounted to SEK 0.34 per kWh for January to September 2013.

See pages 27 to 31 of the Annual Report for 2012 for further information on risk.

MARKET VALUE (SEK million) SEPTEMBER 2013

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 30 Sep 2013
Currency USD, forward sell	USD 9 m	6.72 SEK/USD	3	6.43 SEK/USD
Currency EUR, forward sell	EUR 1 m	8.84 SEK/EUR	0	8.68 SEK/EUR
Currency EUR, forward buy	EUR 11 m	9.17 SEK/EUR	-4	8.68 SEK/EUR
Electricity	234,735 MWh	SEK 0.404/kWh	-16	SEK 0.319/kWh
Total market value			-17	

MARKET VALUE (SEK million) SEPTEMBER 2012

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 30 Sep 2012
Currency USD, forward sell	USD 13 m	7.00 SEK/USD	6	6.59 SEK/USD
Currency EUR, forward buy	EUR 13 m	9.20 SEK/EUR	-8	8.49 SEK/EUR
Pulp price, USD	6,000 tonnes	890 USD (PIX)	5	762 USD (PIX)
Pulp price, SEK	3,000 tonnes	6,060 SEK (PIX)	3	SEK 5,022 (PIX)
Electricity	306,980 MWh	SEK 0.401/kWh	-24	SEK 0.212/kWh
Total market value			-18	

The table above shows the market values of all hedging. The valuation refers to the liquidation value, i.e. a valuation is made in accordance with the forward contracts on 30 September 2013. The reference value refers to the spot rate on 30 September and is provided as supplementary information. As a result of the application of IFRS/IAS, these market values are reflected in the balance sheet and in some cases in the income statement, but are also shown here as supplementary information.

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.

FORECAST FOR 2013

The company is not providing an earnings forecast for 2013.

FORTHCOMING FINANCIAL INFORMATION

24 January 2014	Year-end Report for 2013
25 April 2014	Interim Report (Jan-Mar 2014)
23 July 2014	Interim Report (Jan-Jun 2014)
24 October 2014	Interim Report (Jan-Sept 2014)
28 January 2015	Year-end Report for 2014

The Annual General Meeting for Rottneros AB will be held in Stockholm on Friday 25 April 2014.

The information in this interim report is such that Rottneros is required to disclose under Sweden's Securities Market Act. The report was released for publication on 22 October 2013 at 08.00 CT.

This interim report and additional information is available on www.rottneros.com

This report is a translation of the original report in Swedish. In case of discrepancies the Swedish version prevails.

Stockholm, 22 October 2013

Carl-Johan Jonsson
Chief Executive Officer and President

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

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/loss 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 past twelve-month 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 past twelve-month 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 normal investments divided by the number of shares.

Cash flow before investments/share

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

ORDLISTA

BEK	Bleached Eucalyptus Kraft, bleached eucalyptus 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.
Chemical pulp	Pulp produced by cooking pulpwood together with chemicals. Has higher brightness and strength than mechanical 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.	TMP	Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam.
ECF	Elemental Chlorine Free, sulphate pulp bleached using chlorine dioxide only.	UKP	Unbleached Kraft Pulp: unbleached sulphate pulp.
Groundwood pulp (SGP)	Mechanical pulp made from roundwood.	PIX	The PIX indexes are prepared and published weekly according to certain defined standards and key principles. The indexes are calculated from price data received from buyers and sellers of the commodity/product in question

CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Net turnover	349	359	1,072	1,108	1,437
Change in inventories, finished goods	-21	-53	-9	-50	-22
Other income	3	24	30	57	84
TOTAL INCOME	331	330	1,093	1,115	1,499
Raw materials and consumables	-201	-202	-688	-680	-914
Other costs	-83	-103	-243	-255	-341
Personnel costs	-40	-40	-146	-135	-183
Depreciation/amortisation and write-downs	-96	-13	-127	-40	-55
TOTAL OPERATING COSTS	-420	-358	-1,204	-1,110	-1,493
OPERATING INCOME	-89	-28	-111	5	6
Financial income	0	3	-	5	5
Financial expenses	-2	-1	-4	-4	-5
Net financial items	-2	2	-4	1	0
INCOME AFTER NET FINANCIAL ITEMS	-91	-26	-115	6	6
Tax on income for the year	0	0	0	-9	-19
NET PROFIT/LOSS AFTER TAX	-91	-26	-115	-3	-13
Earnings after tax/share (SEK) ¹	-0.59	-0.17	-0.75	-0.02	-0.09

¹ Profit after tax per share, after dilution, is the same as the profit after tax per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
NET PROFIT/LOSS AFTER TAX	-91	-26	-115	-3	-13
Other comprehensive income					
Cash-flow hedging, income before tax	12	9	1	12	12
Cash-flow hedging, tax effect	-3	-2	-	-3	-4
Exchange rate differences	0	-1	0	-1	-1
TOTAL OTHER COMPREHENSIVE INCOME	9	6	1	8	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-82	-20	-114	5	-6

KEY INDICATORS THAT AFFECT TURNOVER

Pulp price NBSK, USD ¹	861	786	845	821	814
SEK/USD ²	6.55	6.75	6.51	6.82	6.78
Pulp price NBSK, SEK	5,641	5,308	5,507	5,598	5,519
Rottneros' deliveries, tonnes	82,600	85,000	255,900	252,100	331,400

¹ Source: PIX/Market Pulse.

² Source: Swedish central bank yearly average.

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Sep 2013	Sep 2012	Dec 2012
Intangible fixed assets	5	4	4
Tangible fixed assets	646	762	755
Financial fixed assets	50	60	50
Total fixed assets	701	826	809
Inventories	227	222	240
Current receivables	207	255	219
Liquid funds	40	15	26
Total current assets	474	492	485
TOTAL ASSETS	1,175	1,318	1,294
Shareholders' equity	879	1,004	993
Longterm liabilities			
Interest-bearing	-	2	-
Non interest-bearing	12	18	15
Total longterm liabilities	12	20	15
Current liabilities			
Interest-bearing	49	48	78
Non interest-bearing	235	246	208
Total current liabilities	284	294	286
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,175	1,318	1,294

CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Operating income	-111	5	6
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	127	40	55
Other non cash-flow items	-1	-5	-6
	15	40	55
Received/paid financial items	-3	1	1
Received/paid taxes	-2	-2	-1
Cash-flow from current operations before change in working capital	10	39	55
Change in working capital	50	10	-14
Cash-flow from current operations	60	49	41
Acquisition of fixed assets	-18	-44	-51
Sale of fixed assets	0	1	1
Cash-flow from investing activities	-18	-43	-50
New loans	-	7	35
Repayment of loans	-28	-4	-6
Paid dividend	-	-15	-15
Cash-flow from financing activities	-28	-12	14
Cash-flow for the year	14	-6	5
Liquid funds at beginning of year	26	21	21
Cash-flow for the year	14	-6	5
Translation difference in liquid funds	0	0	0
Liquid funds at end of year	40	15	26

SHARE DATA¹

		Jan-Sep 2013	Jan-Sep 2012	2012	2011	2010	2009	2008
Shares, opening ²	No.	152,572	152,572	152,572	152,572	1,525,719	180,212	180,212
Shares issued ²	No.	-	-	-	-	-	1,345,507	-
No. of company's own shares bought back ²	No.	-	-	-	-	-1,373,147	-	-
Shares closing ²	No.	152,572	152,572	152,572	152,572	152,572	1,525,719	180,212
Average number of shares ²	No.	152,572	152,572	152,572	152,572	152,572	26,884	18,021
Operating profit or loss/share ^{2,5}	SEK	-0.73	0.04	0.04	-0.77	0.90	-6.18	-16.95
Earnings after net financial items/share ⁵	SEK	-0.75	0.04	0.04	-0.79	0.90	-2.58	-21.33
Earnings after tax/share ⁵	SEK	-0.75	-0.02	-0.09	-0.95	0.82	-2.59	-18.35
Operating cash flow/share ^{3,5}	SEK	-0.09	0.04	0.03	-0.74	0.51	2.74	-13.34
Equity/share ⁵	SEK	5.76	6.58	6.51	6.65	8.05	7.14	44.96
Dividend ⁵	SEK	-	-	-	0.10	0.20	-	-
Dividend/equity/share	%	-	-	-	1.5	2.5	-	-
Share price at end of period ⁵	SEK	2.05	1.77	2.00	2.11	4.37	6.90	10.50
Share price/equity/share	Times	0.4	0.3	0.3	0.3	0.5	1.0	0.2
P/E ratio/share	Times	Neg	Neg	Neg	Neg	5.3	Neg	Neg
Direct yield ⁴	%	-	-	5.0	4.7	4.6	-	-

¹ No key ratios were influenced by any dilution effect.

² The number of shares is stated in thousands, excluding treasury shares held by Rottneros.

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.

KEY RATIOS EIGHT QUARTERS

	2013				2012				2011
	III	II	I	IV	III	II	I	IV	
Net turnover, SEK m	349	369	354	329	359	378	371	337	
Return on equity after full tax, %	Neg	Neg	Neg	Neg	Neg	Neg	Neg	Neg	
Return on capital employed, %	Neg	Neg	1.0	1.0	Neg	Neg	Neg	Neg	
Equity/assets ratio, %	75	72	74	77	76	74	75	75	
Equity/share, SEK ¹	5.76	6.29	6.46	6.51	6.58	6.71	6.64	6.65	
Earnings after tax/share, SEK ¹	-0.59	-0.13	-0.03	-0.07	-0.17	0.18	-0.03	-0.32	
Cash flow before investments/share, SEK	0.31	-0.06	0.14	-0.05	0.09	0.44	-0.21	-0.15	
Operating cash flow/share, SEK ¹	-0.04	0.04	0.09	0.08	0.00	0.35	-0.32	-0.69	
Operating margin, %	Neg	Neg	Neg	0.3	Neg	9.7	Neg	Neg	

CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Opening shareholders' equity	993	1,014	1,014
Total comprehensive income for the period	-114	5	-6
Dividend	-	-15	-15
Closing shareholders' equity	879	1,004	993

QUARTERLY DATA (SEK MILLION)

	2013				2012				2011			
	III	II	I	IV	III	II	I	IV	III	II	I	
Net turnover	349	369	354	329	359	378	371	337	367	409	400	
Operating profit/loss before depreciation	7	-1	10	16	-15	50	10	-40	-50	54	39	
Depreciation/amortisation and write-downs	-96	-15	-16	-15	-13	-14	-13	-3	-81	-18	-18	
Operating profit/loss	-89	-16	-6	1	-28	36	-3	-43	-131	36	21	
Net financial items	-2	-4	2	-1	2	-	-1	-1	-1	1	-2	
Profit/loss after financial items	-91	-20	-4	0	-26	36	-4	-44	-132	37	19	
Tax	0	0	0	-10	0	-9	0	-4	-4	-11	-5	
Profit/loss after tax	-91	-20	-4	-10	-26	27	-4	-48	-136	26	14	
Pulp production, 1,000 tonnes	78.0	88.4	88.0	86.2	72.5	89.7	81.9	70.4	77.2	88.0	88.5	
Pulp deliveries, 1,000 tonnes	82.6	87.8	85.6	79.3	85.0	82.4	84.7	72.7	74.3	81.0	83.4	

PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK MILLION)					
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Net turnover	1	1	4	4	6
Other income	0	13	5	15	23
TOTAL INCOME	1	14	9	19	29
Other costs	-7	-11	-21	-30	-39
Personnel costs	-2	-4	-22	-13	-19
Depreciation	0	0	0	0	0
TOTAL OPERATING COSTS	-9	-15	-43	-43	-58
OPERATING INCOME	-8	-1	-34	-24	-29
Income and expenses from participations in group companies	-45	1	-45	1	27
Financial income, other	1	1	1	3	2
Financial expenses, other	-2	0	-2	-2	-3
Net financial items	-46	2	-46	2	26
INCOME AFTER NET FINANCIAL ITEMS	-54	1	-80	-22	-3
Tax on income for the year	-	-	-	-	-4
NET PROFIT/LOSS AFTER TAX	-54	1	-80	-22	-7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)					
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
NET PROFIT/LOSS AFTER TAX	-54	1	-80	-22	-7
Other comprehensive income					
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-54	1	-80	-22	-7

PARENT COMPANY BALANCE SHEET (SEK MILLION)			
	Sep 2013	Sep 2012	Dec 2012
Intangible fixed assets	4	3	4
Tangible fixed assets	1	1	1
Financial fixed assets	250	299	295
Total fixed assets	255	303	300
Current receivables	659	687	728
Liquid funds	2	2	6
Total current assets	661	689	734
TOTAL ASSETS	916	992	1,034
Shareholders' equity	871	936	951
Current liabilities			
Interest-bearing	28	44	72
Non interest-bearing	17	12	11
Total current liabilities	45	56	83
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	916	992	1,034

SIX YEAR REVIEW

	Jan-Sep 2013	Jan-Sep 2012	2012	2011	2010	2009	2008
KEY INDICATORS THAT AFFECT TURNOVER							
Pulp price NBSK, USD ¹	845	821	814	960	930	657	852
SEK/USD ²	6.51	6.82	6.78	6.50	7.21	7.65	6.58
Pulp price NBSK, SEK	5,507	5,598	5,519	6,229	6,705	4,989	5,617
Rottneros' deliveries, tonnes	255,900	252,100	331,400	311,400	330,300	376,700	617,900

Turnover and income, SEK million

Net turnover	1,072	1,108	1,437	1,513	1,684	1,508	2,663
Profit/loss before depreciation	16	45	61	4	224	-61	-82
Depreciation	-127	-40	-55	-120	-86	-104	-224
Operating profit/loss after depreciation	-111	5	6	-117	138	-166	-306
Net financial items	-4	1	-0	-3	-0	97	-79
Profit/loss after net financial items	-115	6	6	-120	138	-69	-385
Profit/loss after tax	-115	-3	-13	-144	125	-69	-331

Balance sheet items, SEK million

Fixed assets	701	826	809	841	867	849	1,149
Inventories	227	222	240	276	213	215	447
Current receivables	207	255	219	209	259	230	391
Liquid funds	40	15	26	21	155	111	45
Shareholders' equity	879	1,004	993	1,014	1,228	1,089	810
Long-term interest-bearing liabilities	0	2	0	6	10	57	692
Long-term non interest-bearing liabilities	12	18	15	11	0	1	14
Current interest-bearing liabilities	49	48	78	42	29	44	82
Current non interest-bearing liabilities	235	246	208	275	227	214	434
Balance sheet total	1,175	1,318	1,294	1,347	1,494	1,405	2,032

Financial ratios

Operating margin, %	-10.4	0.5	0.4	-7.8	8.2	-11.0	-11.5
Profit margin, %	-10.7	0.6	0.4	-8.0	8.2	-4.6	-14.4
Return on capital employed, %	Neg	Neg	0.1	Neg	11.6	Neg	Neg
Return on equity after full tax, %	Neg	Neg	Neg	Neg	10.8	Neg	Neg
Equity/assets ratio, %	75	76	77	75	82	78	40
Debt/equity ratio, Times	0.1	0.0	0.1	0.0	-0.1	0.1	1.0
Interest cover, Times	Neg	2.8	2.2	Neg	26.2	Neg	Neg

Other

Capital expenditure, SEK m	18	44	46	157	125	10	191
Average no. of employees	259	278	275	298	308	387	667

¹ Source: FOEX NBSK PIX² Source: Swedish central bank yearly average.

ROTTNEROS IN BRIEF

Rottneros is a supplier of customised and high quality paper pulp with its origins dating back to the 17th century.

Around 300 people are employed at Rottneros, which had a turnover of SEK 1.5 billion in 2012.

Rottneros produces market pulp, i.e. paper pulp sold on the open market in contrast to pulp that is produced at mills with integrated paper production.

The Group has an annual production capacity of almost 400,000 tonnes of pulp at its two mills in Rottneros and Vallvik.

Business concept

Rottneros' business concept is to be an independent and flexible supplier of high-quality, customised pulp. Rottneros adapts its product range to meet the needs and high expectations of customers by continuously developing its products and providing a high level of supplier reliability, technical support and service.

Business model

Rottneros operates in the market for market pulp and is a global supplier of bleached and unbleached long-fibre chemical pulp, together with mechanical CTMP and groundwood pulp.

Pulp is produced at two Swedish pulp mills. Vallvik Mill produces two grades of long-fibre sulphate pulp: fully bleached sulphate pulp (ECF - Elemental Chlorine Free) and unbleached sulphate pulp (UKP - Unbleached Kraft Pulp).

Rottneros Mill produces CTMP and groundwood pulp, which are mechanical grades of pulp.

Adding value

Rottneros adds value by focusing on segments where the Group has achieved, or can achieve, a strong position in the market for market pulp. Rottneros is an important supplier of, for example, pulp for electrical applications presenting high purity requirements, filters where air permeability is crucial, food packaging where the most important factor is its stiffness, and pulp for thin printing paper with high requirements for opacity.

An essential part of adding value is the effective and rational management of the input goods required for

pulp production. Rottneros primarily uses three input goods:

- Timber, which accounts for approximately 38 per cent of our costs;
- Electricity, which accounts for approximately eight per cent of our costs;
- Chemicals, which account for approximately seven per cent of our costs.

In order to achieve security and stability, Rottneros is looking for long-term relationships and contracts with the suppliers of these goods.

Operative objectives and strategies

Rottneros has a number of overall objectives for its operational activities, which are intended to result in a competitive return for shareholders over a business cycle by creating value and yielding dividends. In order to achieve this objective, the Group needs to create added value for its customers as well as be an attractive employer and competitive producer.

One of our objectives is growth. Rottneros works according to two main strategies to create a favourable environment for achieving this goal.

- Rottneros is looking for development opportunities to strengthen the existing pulp operation through strategic alliances in Sweden and abroad. The Group is also planning to further increase capacity at Vallvik Mill.
- Rottneros is preparing for a possible entry into related activities, where the Group's knowledge of pulp refining is utilised and represents a precondition, and where there are clear synergy effects. One step in this development is that the Group is running projects in cooperation with industrial and financial partners aimed at leading to the production of high-refined biofuel at both mills.

Another objective is for Rottneros to gradually lay the foundation for less volatile movements in the share price over the course of a business cycle by focusing increasingly on more specialised grades of pulp.

Rottneros, a company that was originally established in the 17th century, is an independent and flexible supplier of customised paper pulp of high quality. Rottneros has been able to adapt in order to meet high customer expectations by continually developing its products and maintaining high levels of delivery reliability, technical support and service.

Rottneros has an annual total production capacity of almost 400,000 tonnes of pulp at two mills in Sweden. Increasingly intensive product development in line with the requirements of customers will result in profitability that is higher and more stable throughout the business cycle.

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