

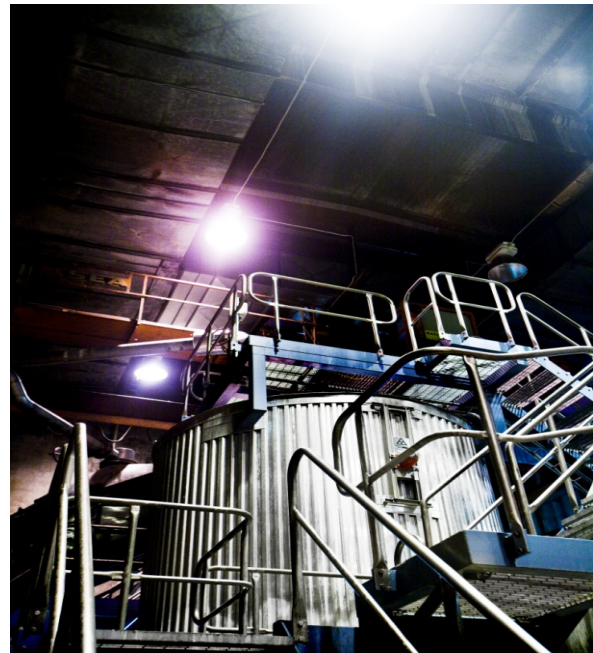
Rottneros

Interim Report January-September 2012

	Quarter			Interim period	
	III 2012	II 2012	III 2011	Jan-Sep 2012	Jan-Sep 2011
Net turnover, SEK m	359	378	367	1 108	1 176
Income after net financial items, SEK m ¹	-26	36	16	6	72
<i>including items affecting comparability</i>	-26	36	-132	6	-76
Earnings per share after net financial items, SEK ¹	-0.17	0.24	0.11	0.04	0.47
<i>including items affecting comparability</i>	-0.17	0.24	-0.86	0.04	0.50
Profit/loss after tax, SEK m ¹	-26	27	12	-3	52
<i>including items affecting comparability</i>	-26	27	-136	-3	-96
Earnings per share after tax, SEK ¹	-0.17	0.18	0.08	-0.02	0.34
<i>including items affecting comparability</i>	-0.17	0.18	-0.89	-0.02	-0.63
Cash flow before investments per share, SEK	0.09	0.44	0.18	0.32	0.38
Cash flow per share, SEK	0.00	0.35	0.00	0.04	-0.05
	30-09-2012	30-06-2012	30-09-2011	31-12-2011	
Shareholders' equity per share, SEK	6.58	6.71	7.03	6.65	
Equity/assets ratio, %	76	74	78	75	

¹ Excluding total write-downs and one-off costs of SEK 148 million in the third quarter 2011.

- Income after net financial items amounted to SEK 6 (-76) million for the period January to September 2012. The result for the previous year incurred total write-downs and one-off costs of SEK -148 million.
- Income after net financial items amounted to SEK -26 million for the third quarter of 2012 compared to a profit of SEK 16 million for the same quarter of the previous year, excluding write-downs and one-off costs. There was a vacation and maintenance shutdown respectively at Rottneros Mill and Vallvik Mill during the third quarter of 2012. The maintenance shutdown at Vallvik, which in previous year took place during the fourth quarter, had a negative effect on the result of SEK 25 million.
- Cash flow from current operations amounted to SEK 14 (27) million for the third quarter of 2012 and SEK 49 (57) million for the period January to September 2012.



Pretreatment of chips on the CTMP line at Rottneros Mill

CEO's statement

Rottneros is reporting a positive 9-month result after net financial items of SEK 6 million for the year. Cash flow after investments and net financial income was also SEK 6 million. The customary four-week vacation shutdown at Rottneros Mill together with the annual maintenance shutdown at Vallvik Mill, which predominantly fell in September this year, had a significant effect on the result for the third quarter. The quarterly result was burdened with approx. SEK 30 million owing to these shutdowns.

The summer downturn was unusually severe this year for Swedish pulp producers such as Rottneros. There was a global fall in USD market prices, which had a major impact when added to the significant rise in the value of the Swedish kronor. The market price of our dominant product, NBSK (or chemical softwood pulp), is monitored via the PIX index, which is published weekly, and this price indicator was approx. SEK 5,000 per tonne for Europe at the end of September compared with approx. SEK 6,000 per tonne at the end of May and approx. SEK 5,700 per tonne at the beginning of the year. We now envisage an upward turn in price trends for the final quarter of this year. List prices in Asia have increased twice by USD 20 per tonne. In North America, which has the highest price level, the list prices increased by USD 20 per tonne and in Europe by approx. USD 30 per tonne. Nor was the Swedish krona as strong as it was in August, which means that revenues should now rise again.

Developments have been favourable for us on the cost side, with falling timber and electricity prices as well as fixed costs. We must learn to live with being a high-cost country in an extremely competitive world. Our only protection will be our own competitiveness, including continuous productivity improvements. The continuous rationalisations that have taken place in recent years, including staff reductions, mean that we are not planning any further downsizing or closures at the current time. However, our focus on efficiency and improved customer offerings is stronger than ever. We are obviously pleased in this connection about the permit allowing an increase in production at Vallvik Mill to 242,000 tonnes in three years. This in itself will facilitate a significant improvement in efficiency. The Swedish Environmental Protection Agency has however appealed against this decision.

During the quarter just ended, the world's largest CTMP supplier shut down a major plant in Canada and in Europe Södra announced that they were withdrawing from the CTMP market. This will entail the disappearance of around 10% of global capacity and significantly more of the current CTMP supplies to the European market. Hopefully this reduction on the supply side of mechanical pulp will result in improved price formation. These pulps have unique quality characteristics that are of value to paper and board makers and over time must be priced so that manufacturers also continue in existence.

Ole Terland
President and CEO

THE PULP MARKET

Markets and products

Several price increases were made for short-fibre chemical pulp during the first half of 2012. The price of bleached long-fibre chemical market pulp also increased during the first quarter. However, prices fell back down during the third quarter and amounted to USD 765 per tonne for bleached softwood sulphate pulp at the end of the quarter, which is approx. USD 65 per tonne lower than at the start of the year. EUR prices for short-fibre bleached sulphate pulp rose significantly during the first two quarters, but fell back down during the third quarter. This still represents an increase of EUR 76 per tonne or USD 98 per tonne since the beginning of the year. Demand for chemical pulp continues to be high. At the beginning of 2012,

the PIX price for bleached long-fibre sulphate pulp was approx. USD 180 per tonne higher than for short-fibre sulphate pulp, and at the end of the third quarter this variance had decrease to approx. USD 20 per tonne, which is a historically small difference. A price increase of USD 20-25 per tonne was announced for bleached softwood sulphate pulp, increasing this to USD 790 per tonne for all deliveries in October.

Statistics for bleached chemical market pulp for the total global market showed that deliveries for January to August 2012 amounted to 27.7 (27.1) million tonnes, which was 2.0% higher than for the same period in 2011. Ninety-one per cent (90% for the same period in 2011) of the global supply capacity for bleached chemical pulp was utilised for the period January to August 2012. An estimated 92% (93%) of

SIGNIFICANT EVENTS

Rottneros Mill focuses on CTMP production

As previously communicated, the Board of Rottneros in May 2012 decided to immediately commence negotiations concerning the termination of continuous groundwood pulp production at Rottneros Mill. The reason for this is the rapid decline in printing paper consumption in Europe, which has resulted in a dramatic reduction in the demand for groundwood pulp. Rottneros Mill has around 100 employees, 50 of whom were given notice of pending redundancy.

These measures do not generate any substantial one-off costs and do not result in any need for write-downs. Negotiations have been concluded and we plan to cease continuous groundwood pulp production at the end of March 2013. CTMP production will continue at the Mill and limited investments will enable qualitative improvements for customers that manufacture board while slightly increasing capacity.

INVOICING AND RESULTS

January to September 2012 compared with January to September 2011

DEVIATION ANALYSIS		
	Jan-Sep 2012	Jan-Sep 2011
NBSK PIX	821	985
SEK/USD	6.82	6.41
NBSK SEK	5,598	6,310
OPERATING INCOME	5	-74
Price		-185
Currency		66
Volume		-21
Variable costs		62
Total write-downs and one-off costs		148
Other		9
TOTAL		79

Group net turnover amounted to SEK 1,108 (1,176) million for January to September 2012. The average price of long-fibre sulphate pulp (NBSK) in USD fell by 17% (from USD 985 to USD 821), while the average price of NBSK pulp converted into SEK fell from SEK 6,310 to SEK 5,598 per tonne, a reduction of 11%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.27 per kWh for January to September 2012, compared with SEK 0.52 per kWh for the same period of the previous year.

- Group operating income amounted to SEK 5 (-74) million for January to September 2012. The result for January to September 2012 was burdened with approx. SEK -25 million as a consequence of the maintenance shutdown at Vallvik Mill. The result for the same period of the previous year incurred SEK -148 million as a consequence of write-downs and one-off costs. Hedging activities realised for January to September 2012 amounted to SEK -5 (13) million.
- Group income after net financial items amounted to SEK 6 (-76) million and includes net financial items of SEK 1 (-2) million. Net financial items include financial exchange gains of SEK 2 (0) million.
- Loss after tax amounted to SEK -3 (-96) million.
- Earnings per share after tax were SEK -0.02 (-0.63).
- Cash flow per share amounted to SEK 0.04 (-0.05).

July to September 2012 compared with July to September 2011

DEVIATION ANALYSIS		
	Jul-Sep 2012	Jul-Sep 2011
NBSK PIX	786	992
SEK/USD	6.75	6.48
NBSK SEK	5,308	6,425
OPERATING INCOME	-28	-131
Price		-70
Currency		12
Volume		-6
Variable costs		25
Total write-downs and one-off costs		148
Other		-6
TOTAL		103

Group net turnover amounted to SEK 359 (367) million for the third quarter of 2012. The average price of long-fibre sulphate pulp (NBSK) in USD fell by 21% (from USD 992 to USD 786), while the average price of NBSK pulp converted into SEK fell from SEK 6,425 to SEK 5,308 per tonne, a reduction of 17%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.20 per kWh for July to September 2012, compared with SEK 0.35 per kWh for the same period of the previous year.

- Group operating income amounted to SEK -28 (-131) million for the third quarter of 2012. The result for the third quarter of 2012 was

burdened with approx. SEK -25 million as a consequence of the maintenance shutdown at Vallvik Mill, which had been held during the fourth quarter in previous year. The result for the third quarter of 2011 incurred SEK -148 million as a consequence of write-downs and one-off costs. Hedging activities realised for the third quarter of 2012 amounted to SEK 3 (-6) million.

- Group income after net financial items amounted to SEK -26 (-132) million and includes net financial items of SEK 2 (-1) million. Net financial items include financial exchange gains of SEK 3 (0) million.
- Loss after tax amounted to SEK -26 (-136) million.
- Earnings per share after tax were SEK -0.17 (-0.89).
- Cash flow per share amounted to SEK 0.00 (0.00).

July to September 2012 compared with April to June 2012

DEVIATION ANALYSIS		
	Jul-Sep 2012	Apr-Jun 2012
NBSK PIX	786	845
SEK/USD	6.75	6.95
NBSK SEK	5,308	5,870
OPERATING INCOME	-28	36
Price		-23
Currency		-9
Volume		-16
Variable costs		0
Other		-16
TOTAL		-64

Group net turnover amounted to SEK 359 million for the third quarter of 2012 compared with SEK 378 million for the second quarter of 2012. The average price of long-fibre sulphate pulp (NBSK) in USD fell from USD 845 to USD 786, while the average price of NBSK pulp converted into SEK fell from SEK 5,870 to 5,308 per tonne, a reduction of 10%.

The average price of electricity on the Nord Pool electricity exchange amounted to SEK 0.20 per kWh for the third quarter of 2012, compared with SEK 0.26 per kWh for the second quarter of 2012.

- Group operating loss amounted to SEK -28 million for the third quarter of 2012 compared with the second quarter of 2012 when operating profit amounted to SEK 36 million. The result for the

third quarter incurred approx. SEK -25 million related to the maintenance shutdown at Vallvik Mill. Furthermore, a vacation shutdown was held at Rottneros Mill during the third quarter. Hedging activities realised during the third quarter of 2012 amounted to SEK 3 (-6) million.

- Group income after net financial items amounted to SEK -26 million for the third quarter of 2012, compared with a profit of SEK 36 million for the second quarter of 2012.

INVESTMENTS AND FINANCIAL POSITION

- Group investments in fixed assets amounted to SEK 44 (69) million for January to September 2012.
- The Group's liquid funds amounted to SEK 15 million at the end of September 2012, compared with SEK 21 million at the end of December 2011.
- The Group had total interest-bearing liabilities of SEK 50 million on 30 September 2012 (SEK 47 million on 31 December 2011). Net interest-bearing liabilities amounted to SEK 35 million (SEK 26 million on 31 December 2011).
- Approved but unutilised credit facilities amounted in total to SEK 106 million on 30 September 2012 and total approved credit facilities amounted to SEK 150 million.
- The equity/assets ratio was 76% on 30 September 2012, which is one percentage unit higher than on 31 December 2011.
- Equity per share amounted to SEK 6.58 (SEK 6.65 on 31 December 2011).

CASH FLOW

- Cash flow from operating activities before investments amounted to SEK 49 (57) million for January to September 2012 and included cash flow of SEK -10 (13) million from financial hedging.
- Cash flow after investing activities amounted to SEK 6 (-8) for January to September 2012.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 278 (302) for January to September 2012.

TAX

Deferred tax assets amounted to SEK 60 million on 30 September 2012, representing a reduction of SEK 13 million compared with 31 December 2011.

Recorded deferred tax assets correspond to unutilized tax loss carry-forward of SEK 228 million. In addition there was also a tax loss carry-forward of SEK 174 million, for which deferred tax assets have not been recognized.

PARENT COMPANY

The parent company's income after net financial items amounted to SEK -22 (-84) million for January to September 2012. The result for January to September 2011 incurred total write-downs of receivables of SEK -72 million. The income after net financial items includes hedging activities realised for the entire Group, which affected the result by SEK -5 (13) million.

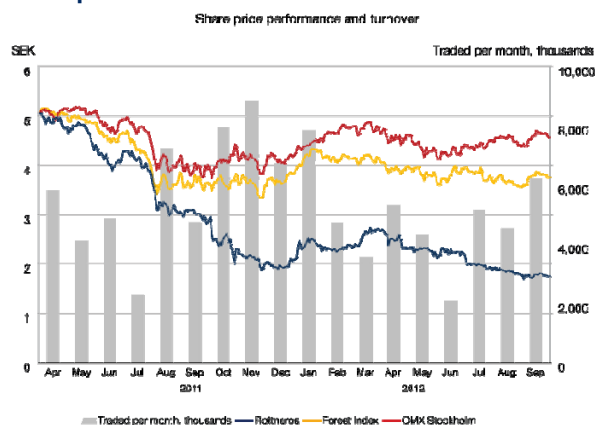
The parent company's balance sheet and income statement can be found on pages 13 and 14.

SHARE INFORMATION

NUMBER OF SHARES

	30 September 2012
Registered number of shares	153,393,890
- of which treasury shares	821,965

Share price



LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2012

Shareholder	Number of shares (=votes)	Percentage of capital
Nemus Holding AB	30,857,435	20.1
Skagen Verktst Verdpapirfond	11,452,911	7.5
Danske Bank A/S	6,451,273	4.2
DNB NOR Bank ASA Sverige	6,451,273	4.2
Clearstream Banking S.A W81MY	5,601,100	3.6
Robur Försäkring	4,754,414	3.1
Aziz Invest AB	4,500,000	2.9
JP MORGAN BANK	3,802,532	2.5
BBVA Ireland P.L.C	2,323,139	1.5
Försäkringsaktiebolaget, Avanza Pension	2,318,608	1.5
Total holdings of 10 largest shareholders	78,512,685	51.1
Rottneros AB (treasury stock from buy-back)	821,965	0.5
Other shareholders	74,059,240	48.4
TOTAL	153,393,890	100.0

Sale of treasury shares

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

amounts to 821,965 shares. The AGM held in 2012 authorised the Board to make decisions regarding the transfer of shares in the company for the period up until the next AGM. No such transfer has taken place so far.

Transactions with related parties

Rottneros has sold pulp to the Arctic Paper S.A. Group, which is a closely related party, amounting to approx. SEK 80 million during the period. This has been conducted on normal market terms.

Dividends

A resolution was made at the AGM on 19 April 2012 to issue a dividend of SEK 0.10 per share, which corresponds in total to SEK 15 million. This dividend was distributed in April 2012.

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 with exchange rates and the prices of pulp, timber and electricity.

Profit/loss after financial items

Group	2012				2011		
	III	II	I	IV	III	II	I Full year
Profit/loss after financial items	-26	36	-4	-44	-132	37	19
Whereof:							
Currency hedges	5	-2	2	-4	-1	5	7
Pulp price hedges	6	2	-	-	-	-	-
Electricity hedges	-8	-6	-4	-9	-5	1	6
Total hedges	3	-6	-2	-13	-6	6	13
Green electricity	5	5	5	3	5	6	6

Currency exposure, USD and EUR

Although Rottneros issues invoices in various currencies, the main underlying currency for pulp prices is predominantly USD. Around 10% of invoicing is contracted in SEK, with EUR as the invoicing currency. The underlying exposure to USD is thus very high, while the direct inflow of USD (the real flow) corresponds to just over 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 6% higher for January to September 2012 compared with the same period of the previous year, amounting to an average of SEK 6.82/USD for the period compared with

SEK 6.41/USD for January to September 2011. The impact on turnover of a higher average exchange rate for USD in relation to SEK for January to September 2012 amounted to SEK 56 million compared with January to September 2011.

At the end of September 2012, currencies were hedged in the form of forward contracts concluded for USD 13 million at an average rate of SEK 7.00/USD. In addition to this, currencies were hedged in the form of forward contracts concluded for EUR 13 million at an average rate of SEK 9.20/EUR for electricity purchases for 2012 to 2015.

Pulp price

The price of pulp (NBSK) is set in USD, while manufacturing costs are largely incurred in local currencies. During the first half of 2012, contracts were concluded to hedge the pulp price at USD 890 per tonne for 2,000 tonnes per month for the period April to December 2012 together with contracts to hedge the pulp price at SEK 6,060 per tonne for 1,000 tonnes per month for the period July to December 2012. The profit realised by this hedging amounted to SEK 6 million for the third quarter of 2012.

Electricity

All physical electricity is purchased directly via the Nord Pool electricity exchange. Electricity prices are quoted in EUR. At the end of September 2012, the amount of electricity hedged corresponded to the proportion of forecast consumption shown in the table. Average prices in EUR/MWh are specified in the table, together with average prices in SEK/kWh (based on EUR forward exchange rates as of 30 September 2012).

ELECTRICITY HEDGING AT 30 SEPTEMBER 2012

Year	Part hedged	EUR/MWh	SEK/kWh
2012 Q4	60%	49.1	0.42
2013	52%	45.4	0.39
2014	34%	46.5	0.40
2015	17%	49.0	0.43

Total EUR hedging of EUR 13 million was concluded at an average rate of SEK 9.20/EUR for electricity costs in 2012-2015.

The average price level for electricity on Nord Pool amounted to SEK 0.27 per kWh for January to September 2012.

See pages 32 to 36 of the Annual Report for 2011 for further information on risk.

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	6,000 tonnes	890 USD (PIX)	5	USD 762 (PIX)
Pulp price	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	

MARKET VALUE (SEK million) SEPTEMBER 2011

Hedging	Hedged volume	Hedge price	Market value	Reference - spot rate 30 Sep 2011
Currency USD, forward sell	USD 24 m	6.60 SEK/USD	-6	6.78 SEK/USD
Currency EUR, forward sell	EUR 9 m	9.10 SEK/EUR	2	9.23 SEK/EUR
Electricity	434,572 MWh	SEK 0.455/kWh	-12	SEK 0.253/kWh
Total market value			-16	

The table above shows the market values of all hedging. The valuation refers to the liquidation value; i.e. a valuation made in accordance with the forward contracts on 30 September 2012. 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 PRINCIPLES

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 principles, definitions of key ratios and calculation methods are the same as those used in the last annual report.

FORECAST FOR 2012

The company is not providing an earnings forecast for 2012.

FORTHCOMING FINANCIAL INFORMATION

24 January 2013 Year-end Release for 2012

18 April 2013 Interim Report Jan-March 2013

18 July 2013 Interim Report Jan-June 2013

22 October 2013 Interim Report Jan-Sept 2013

24 January 2014 Year-end Release for 2013

The AGM for Rottneros AB will be held in Stockholm on Thursday, 18 April 2013.

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

Stockholm, 19 October 2012

Ole Terland

President and Chief Executive Officer

REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed this report for the period 1 January 2012 to 30 September 2012 for Rottneros AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish 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 Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report 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, ISA, 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 is not 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, 19 October 2012

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström

Authorised Public Accountant

Analyst and press conference

Analysts and journalists are invited to a meeting on Friday 19 October 2012 at 10.00.

Location: Rottneros Head Office, World Trade Center, Kungsbron 1, C6, Stockholm, Sweden

Please register with Hella Wopfner, hella.wopfner@rottneros.com, telephone: +46 8 590 010 12

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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 19 October 2012 at 08.00. A Swedish and an English version of this report have been drawn up. The Swedish version shall apply 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

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 profit/loss

Net profit/loss 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 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 profit for the past twelve-month period as a percentage of average shareholders' equity for the period in question.

Interest coverage ratio

Profit 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.

GLOSSARY

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.		

CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Net turnover	359	367	1,108	1,176	1,513
Change in inventories, finished goods	-53	18	-50	63	60
Other income	24	21	57	74	90
TOTAL INCOME	330	406	1,115	1,313	1,663
Raw materials and consumables	-202	-244	-680	-780	-1,001
Other costs	-103	-156	-255	-331	-450
Personnel costs	-40	-56	-135	-159	-209
Depreciation/amortisation and write-downs	-13	-81	-40	-117	-120
TOTAL OPERATING COSTS	-358	-537	-1,110	-1,387	-1,780
OPERATING INCOME	-28	-131	5	-74	-117
Financial income	3	-1	5	1	2
Financial expenses	-1	0	-4	-3	-5
Net financial items	2	-1	1	-2	-3
INCOME AFTER NET FINANCIAL ITEMS	-26	-132	6	-76	-120
Tax on income for the year	0	-4	-9	-20	-24
NET PROFIT/LOSS AFTER TAX	-26	-136	-3	-96	-144
Earnings after tax/share (SEK) ¹	-0.17	-0.89	-0.02	-0.63	-0.95

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 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
NET PROFIT/LOSS AFTER TAX	-26	-136	-3	-96	-144
Other comprehensive income					
Cash-flow hedging, income before tax	9	-15	12	-40	-54
Cash-flow hedging, tax effect	-2	4	-3	11	14
Exchange rate differences	-1	0	-1	1	1
Reclassification adjustment ³	-	-	-	0	0
TOTAL OTHER COMPREHENSIVE INCOME	6	-11	8	-28	-39
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-20	-147	5	-124	-183

KEY INDICATORS THAT AFFECT TURNOVER

Pulp price NBSK, USD ¹	786	992	821	985	960
SEK/USD ²	6.75	6.48	6.82	6.41	6.50
Pulp price NBSK, SEK	5,308	6,425	5,598	6,310	6,229
Rottneros' deliveries, tonnes	85,000	74,300	252,100	238,700	311,400

¹ Source: PIX/Market Pulse.

² Source: Swedish central bank yearly average.

³ Cumulative amount of exchange rate differences reclassified from equity to profit or loss according to IAS 21.

CONSOLIDATED BALANCE SHEET (SEK MILLION)

	Sep 2012	Sep 2011	Dec 2011
Intangible fixed assets	4	2	3
Tangible fixed assets	762	671	760
Financial fixed assets	60	85	78
Total fixed assets	826	758	841
Inventories	222	277	276
Current receivables	255	254	209
Liquid funds	15	89	21
Total current assets	492	620	506
TOTAL ASSETS	1,318	1,378	1,347
Shareholders' equity	1,004	1,073	1,014
Longterm liabilities			
Interest-bearing	2	6	5
Non interest-bearing	18	8	11
Total longterm liabilities	20	14	16
Current liabilities			
Interest-bearing	48	5	42
Non interest-bearing	246	286	275
Total current liabilities	294	291	317
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,318	1,378	1,347

CASH-FLOW ANALYSIS (SEK MILLION)

	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Operating income	5	-74	-117
Adjustment for non cash-flow items			
Depreciation/amortisation and write-downs	40	117	120
Profit/loss from disposal of fixed assets	0	-4	-4
Write-downs of receivables	0	72	72
Other non cash-flow items	-5	11	14
	40	122	85
Paid financial items	1	-2	0
Received/paid taxes	-2	-5	-1
Cash-flow from current operations before change in working capital	39	115	84
Change in working capital	10	-58	-49
Cash-flow from current operations	49	57	35
Acquisition of fixed assets	-44	-69	-157
Sale of fixed assets	1	4	4
Change in long-term receivables	-	-	5
Cash-flow from investing activities	-43	-65	-148
New loans	7	-	37
Repayment of loans	-4	-28	-28
Utbetalad utdelning	-15	-30	-30
Cash-flow from financing activities	-12	-58	-21
Cash-flow for the year	-6	-66	-134
Liquid funds at beginning of year	21	155	155
Cash-flow for the year	-6	-66	-134
Translation difference in liquid funds	0	0	0
Liquid funds at end of year	15	89	21

SHARE DATA¹

		Jan-Sep 2012	Jan-Sep 2011	2011	2010	2009	2008	2007
Shares, opening ²	No.	152,572	152,572	152,572	1,525,719	180,212	180,212	180,212
Shares issued ²	No.	-	-	-	0	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	1,525,719	180,212	180,212
Average number of shares ²	No.	152,572	152,572	152,572	152,572	26,884	18,021	18,021
Operating profit or loss/share ^{2,5}	SEK	0.04	-0.49	-0.77	0.90	-6.18	-16.95	-19.99
Earnings after net financial items/share ⁵	SEK	0.04	-0.50	-0.79	0.90	-2.58	-21.33	-21.30
Earnings after tax/share ⁵	SEK	-0.02	-0.63	-0.95	0.82	-2.59	-18.35	-16.69
Operating cash flow/share ^{3,5}	SEK	0.04	-0.05	-0.74	0.51	2.74	-13.34	-5.59
Equity/share ⁵	SEK	6.58	7.03	6.65	8.05	7.14	44.96	58.29
Dividend ⁵	SEK	-	-	0.10	0.20	-	-	-
Dividend/equity/share	%	-	-	1.5	2.5	-	-	-
Share price at end of period ⁵	SEK	1.77	2.90	2.11	4.37	6.90	10.50	23.10
Share price/equity/share	Times	0.3	0.4	0.3	0.5	1.0	0.2	0.4
P/E ratio/share	Times	Neg	Neg	Neg	5.3	Neg	Neg	Neg
Direct yield ⁴	%	-	-	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

	2012				2011				2010
	III	II	I	IV	III	II	I	IV	
Net turnover, SEK m	359	378	371	337	367	409	400	402	
Return on equity after full tax, %	Neg	Neg	Neg	Neg	Neg	8.5	10.4	10.8	
Return on capital employed, %	Neg	Neg	Neg	Neg	Neg	11.0	11.9	11.6	
Equity/assets ratio, %	76	74	75	75	78	83	83	82	
Equity/share, SEK ¹	6.58	6.71	6.64	6.65	7.03	8.00	8.13	8.05	
Earnings after tax/share, SEK ¹	-0.17	0.18	-0.03	-0.32	-0.89	0.17	0.09	0.06	
Cash flow before investments/share, SEK	0.09	0.44	-0.21	-0.15	0.18	0.36	-0.16	0.26	
Operating cash flow/share, SEK ¹	0.00	0.35	-0.32	-0.69	0.00	0.22	-0.27	-0.10	
Operating margin, %	Neg	9.7	Neg	Neg	Neg	8.8	5.2	3.5	

CHANGE IN SHAREHOLDERS' EQUITY (SEK MILLION)

	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Opening shareholders' equity	1,014	1,228	1,228
Total comprehensive income for the period	5	-124	-183
Dividend	-15	-31	-31
Closing shareholders' equity	1,004	1,073	1,014

QUARTERLY DATA (SEK MILLION)

	2012				2011				2010		
	III	II	I	IV	III	II	I	IV	III	II	I
Net turnover	359	378	371	337	367	409	400	402	413	462	407
Operating profit/loss before depreciation	-15	50	10	-40	-50	54	39	35	88	61	40
Depreciation/amortisation and write-downs	-13	-14	-13	-3	-81	-18	-18	-20	-20	-13	-33
Operating profit/loss	-28	36	-3	-43	-131	36	21	15	68	48	7
Net financial items	2	0	-1	-1	-1	1	-2	-2	-4	2	4
Profit/loss after financial items	-26	36	-4	-44	-132	37	19	13	64	50	11
Tax	0	-9	0	-4	-4	-11	-5	-5	-8	0	0
Profit/loss after tax	-26	27	-4	-48	-136	26	14	8	56	50	11
Pulp production, 1,000 tonnes	72.6	89.7	81.9	70.4	77.2	88,0	88.5	75,0	82.6	84.0	81.4
Pulp deliveries, 1,000 tonnes	85.0	82.4	84.7	72.7	74.3	81,0	83.4	80.4	75.8	86.8	87.3

PARENT COMPANY PROFIT/LOSS ACCOUNTS (SEK MILLION)

	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Net turnover	1	2	4	24	27
Other income	13	-2	15	17	12
TOTAL INCOME	14	0	19	41	39
Raw materials and consumables	-	-	-	-8	-8
Other costs	-11	-82	-30	-98	-114
Personnel costs	-4	-5	-13	-20	-24
Depreciation	0	0	0	0	0
TOTAL OPERATING COSTS	-15	-87	-43	-126	-146
OPERATING INCOME	-1	-87	-24	-85	-107
Profit from participations in group companies	1	-	1	-	16
Financial income, other	1	0	3	2	3
Financial expenses, other	0	0	-2	-1	-2
Net financial items	2	0	2	1	17
INCOME AFTER NET FINANCIAL ITEMS	1	-87	-22	-84	-90
Tax on income for the year	-	0	-	0	-1
NET PROFIT/LOSS AFTER TAX	1	-87	-22	-84	-91

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
NET PROFIT/LOSS AFTER TAX	1	-87	-22	-84	-91
Other comprehensive income					
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1	-87	-22	-84	-91

PARENT COMPANY BALANCE SHEET (SEK MILLION)

	Sep 2012	Sep 2011	Dec 2011
Intangible fixed assets	3	1	2
Tangible fixed assets	1	1	1
Financial fixed assets	299	319	318
Total fixed assets	303	321	321
Current receivables	687	681	780
Liquid funds	2	6	8
Total current assets	689	687	788
TOTAL ASSETS	992	1,008	1,109
Shareholders' equity	936	980	973
Current liabilities			
Interest-bearing	44	-	37
Non interest-bearing	12	28	99
Total current liabilities	56	28	136
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	992	1,008	1,109

SIX YEAR REVIEW

	Jan-Sep 2012	Jan-Sep 2011	2011	2010	2009	2008	2007
KEY INDICATORS THAT AFFECT TURNOVER							
Pulp price NBSK, USD ¹	821	985	960	930	657	852	794
SEK/USD ²	6.82	6.41	6.50	7.21	7.65	6.58	6.76
Pulp price NBSK, SEK	5,598	6,310	6,229	6,705	4,989	5,617	5,368
Rottneros' deliveries, tonnes	252,100	238,700	311,400	330,300	376,700	617,900	714,700

Turnover and income, SEK million

Net turnover	1,108	1,176	1,513	1,684	1,508	2,663	2,927
Profit/loss before depreciation	45	43	4	224	-62	-82	75
Depreciation	-40	-117	-120	-86	-104	-224	-435
Operating profit/loss after depreciation	5	-74	-117	138	-166	-306	-360
Net financial items	1	-2	-3	0	97	-79	-24
Profit/loss after net financial items	6	-76	-120	138	-69	-385	-384
Profit/loss after tax	-3	-96	-144	125	-69	-331	-301

Balance sheet items, SEK million

Fixed assets	826	758	841	867	849	1,149	1,123
Inventories	222	277	276	213	215	447	493
Current receivables	255	254	209	259	230	391	572
Liquid funds	15	89	21	155	111	45	121
Shareholders' equity	1,004	1,073	1,014	1,228	1,089	810	1,050
Long-term interest-bearing liabilities	2	6	5	10	57	692	173
Long-term non interest-bearing liabilities	18	8	11	0	1	14	49
Current interest-bearing liabilities	48	5	42	29	44	82	452
Current non interest-bearing liabilities	246	286	275	227	214	434	585
Balance sheet total	1,318	1,378	1,347	1,494	1,405	2,032	2,309

Financial ratios

Operating margin, %	0.5	-6.3	-7.8	8.2	-11.0	-11.5	-12.3
Profit margin, %	0.6	-6.4	-8.0	8.2	-4.6	-14.4	-13.1
Return on capital employed, %	Neg	Neg	Neg	11.6	Neg	Neg	Neg
Return on equity after full tax, %	Neg	Neg	Neg	10.8	Neg	Neg	Neg
Equity/assets ratio, %	76	78	75	82	78	40	45
Debt/equity ratio, Times	0.0	-0.1	0.0	-0.1	0.1	1.0	0.6
Interest cover, Times	2.8	Neg	Neg	26.2	Neg	Neg	Neg

Other

Capital expenditure, SEK m	44	69	157	125	10	191	163
Average no. of employees	278	302	298	308	387	667	718

¹ Source: FOEX NBSK PIX.² Source: Swedish central bank yearly average.

ROTTNEROS IN BRIEF

Rottneros has been a supplier of customised and high quality paper pulp since the 1600s.

Around 300 people are employed at Rottneros, which had a turnover of SEK 1.5 billion in 2011.

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

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 manufactures CTMP and groundwood pulp, which are mechanical grades of pulp.

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 supply 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 long-fibre chemical bleached sulphate pulp and long-fibre chemical unbleached pulp. Rottneros Mill manufactures mechanical CTMP pulp and groundwood pulp. The mills are independent profit centres and have their own sales organisations.

Adding value

Rottneros adds value by focusing on segments where the Group's production focus and applications have achieved, or can achieve, a strong position in the market for market pulp. Examples of this include 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 where Rottneros is an important supplier.

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 approx. 38 per cent of our costs.
- Electricity, which accounts for approx. eight per cent of our costs.
- Chemicals, which accounts for around 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. In order to create a favourable environment for achieving this goal, Rottneros works according to two main strategies:

- 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 1600s, 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 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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