

## Press Release

**ROTTNEROS AB** (publ)  
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Upplands Väsby, Tuesday 13 October 2009

***This is a translation of Rottneros AB's information that has been released on Monday, 12 October 2009***

### **ROTTNEROS AB (publ); Extraordinary General Meeting 2009**

#### **Publication of notice convening an extraordinary general meeting**

The notice convening the EGM will be published in its entirety on Wednesday, 14 October 2009 in the Swedish Official Gazette (Post- och Inrikes Tidningar), Dagens Nyheter and Wermlands-Tidningen.

The shareholders in Rottneros AB (publ) are hereby invited to attend the Extraordinary General Meeting at 3 p.m. on Wednesday, 11 November 2009 at Lyran Konferens, Sveavägen 118, Stockholm.

#### **Notice**

Shareholders wishing to participate and vote at the EGM must

- 1) be entered in the register of shareholders kept by Euroclear Sweden AB (formerly VPC AB) no later than Thursday, 5 November 2009,
- 2) notify the company of their intention to attend at the EGM no later than Thursday, 5 November 2009.

Notification may be made

- by phone +46 8-590 010 00
- by fax +46 8-590 010 01
- on the company's website, [www.rottneros.com](http://www.rottneros.com) or
- by post to Rottneros AB, Box 600, 194 26 Upplands Väsby, Sweden.

Shareholders whose holding is registered in the name of a trustee must, to be entitled to attend the EGM, temporarily re-register their shares in their own name. Such temporary re-registration (so-called voting rights registration) must be requested well in advance of Thursday, 5 November 2009 with the bank or fund manager acting as trustee for the shares.

When providing notice of their intention to attend, shareholders must provide their name, personal /corporate identity number, address and phone number, and details of any assistants intending to attend. Shareholders represented by proxy should submit an original power of attorney in advance of the EGM. A form for this purpose may be obtained from the company upon request and is also available at the company's website [www.rottneros.com](http://www.rottneros.com). Individuals representing a legal entity must be able to produce a copy of the registration certificate dated within the past year or another document confirming that the individual is authorised to sign on behalf of the company.

### **Proposed agenda**

1. Opening of the meeting and election of a chairman for the EGM
2. Establishment and approval of the voting list
3. Approval of the agenda
4. Election of one or two people to check the minutes
5. Examination of whether the EGM was duly convened
6. Resolution on amendment of Articles of Association
7. Resolution on a reduction of share capital
8. Resolution on share issue with preferential rights for existing shareholders
9. Resolution on share issue with right to set-off
10. Resolution on incentive program including
  - a) issue of warrants series 2009/2011
  - b) issue of warrants series 2009/2012
11. Establishment of the number of Board members
12. Resolution on dismissal of Board members
13. Resolution on conditional amendment of the articles of association
14. Closing of the EGM.

### **Proposed resolutions**

As stated below, the Board of Directors for Rottneros proposes that the EGM resolve to amend the company's articles of association, reduce share capital and issue new shares and warrants. All resolutions under items 6-9 are contingent upon each other. The resolution in item 10 is contingent upon the meeting resolving in accordance with the proposals in items 6-9. The resolution in item 12 is contingent upon the meeting resolving in accordance with the proposals in item 11.

*Item 6:* To allow for the reduction of share capital and the new share issues proposed in accordance with items 7-10, the Board proposes that the EGM resolve to amend § 4 and § 5 of the articles of association. Consequently, § 4 of the articles of association would read as follows: "The share capital shall comprise a minimum of SEK 100,000,000 and a maximum of SEK 400,000,000. In addition, § 5, paragraph one of the articles of association would read: "The number of shares shall be a minimum of 1,000,000,000 and a maximum of 4,000,000,000. Shares may be issued in two series: ordinary shares and series C shares. Ordinary shares may be issued in numbers up to the equivalent of the entire share capital, while the maximum number of series C shares is 20,900,000. Ordinary shares shall be entitled to one (1) vote and series C shares to a tenth of a vote."

*Item 7:* To allow for the new share issues proposed in items 8-10, the Board proposes that the EGM resolve to reduce share capital. The share capital shall be reduced by SEK 75,372,842 for transfer to reserves to be used in accordance with the resolution of the EGM. Share capital will be reduced without retirement of shares. After the reduction of share capital, the company's shares will have a par value of SEK 0.10 per share.

*Item 8:* The Board of Directors proposes that the EGM resolve to increase the company's share capital by a maximum of SEK 90,106,232 through a new share issue of a maximum of 901,062,320 ordinary shares. For each subscribed share SEK 0.25 will be paid. Holders of existing shares will have preferential rights to subscribe for new shares in relation to the number of shares they own, where one (1) existing share entitles the holder to subscribe for five (5) new shares in the company. The record date for participation in the new share issue will be Wednesday, 18 November 2009.

In the event that all shares are not subscribed with preferential rights as above, the Board will decide on allotment within the frame of the issue's maximum amount whereby priority for allotment of shares subscribed without preferential rights will be given to those who subscribed for shares on the basis of subscription rights in proportion to the number of subscription rights that each exercised for subscription of shares and, if this is not possible, by the drawing of lots. Secondly, allotment of shares subscribed for without subscription rights shall be made to those shareholders and others that have entered into guarantee commitments as guarantors of the rights issue in proportion to the guaranteed amount.

Subscription of shares with preferential rights must be paid for in cash between Monday, 23 November 2009 and Monday, 7 December 2009. Registration for subscription without subscription rights shall be carried out on a specific subscription list during the same period as mentioned above. Payment for shares which have not been subscribed for based on subscription rights shall be made in cash not later than three business days following the date of the dispatch of the contract note.

The new shares in the company shall entitle to dividends for the first time on the next record day for the dividend that falls after the shares are registered with the Swedish Companies Registration Office.

In light of commitments made, the Board deems the issue, at the time of the EGM, will be fully secured through subscription undertakings and guarantees. Nemus Holding AB, Prior&Nilsson Fond och Kapitalförvaltning AB and Case Investment AB are among those who have provided subscription undertakings and guarantees.

*Item 9:* The Board proposes that the EGM resolve to increase the company's share capital by a maximum of SEK 44,444,444.40 through a new share issue of a maximum of 44,444,444.40 ordinary shares. For each new share SEK 0.45 will be paid. Only a banking syndicate consisting of Danske Bank A/S, Denmark, Sweden Branch, DNB NOR Bank ASA, Norway, Sweden Branch, HSH Nordbank AG, Copenhagen Branch, Nordea Bank AB (publ) and BBVA Ireland p.l.c. ("the Banking Syndicate") may subscribe for shares with departure from the preferential rights of existing shareholders. The reason for departing from shareholders' preferential rights is to enable the company to reduce the claims that the Banking Syndicate has against the company through the restructuring process that the Banking Syndicate supported. Shares must be subscribed for no later than Friday, 11 December 2009. The Banking Syndicate will pay for subscription of such shares through set-off of the existing claim on the company equivalent to the proceeds from the share issue.

The Banking Syndicate intends to sell a total of 55% of issued shares to those individuals who subscribed for shares in the rights issue in item 8 above at a price determined in advance of SEK 0.82 per share. Consequently, the intention is to issue the call options free of charge to those individuals who subscribe for shares in the rights issue.

*Item 10:* The Board finds it important and in the interest of all shareholders to inspire long-term ownership commitment among the company's senior management, after implementing restructuring of the company, by providing senior management with the opportunity to participate and influence positive value development of the company's shares and to increase their feeling of solidarity with the company. The Board therefore proposes, as a component in the company's restructuring process, that the EGM, with departure from shareholders' preferential rights, resolve to offer a long-term incentive programme for the company's senior executives, including new issues of two series of warrants, essentially as described below.

The maximum dilution effect is calculated to amount to a maximum of about 2% of the total number of shares and votes in the company, assuming full subscription and full exercise of all warrants. The company does not expect any significant expenses to arise in conjunction with the incentive programme.

*a) Issue of warrants series 2009/2011*

The Board proposes that the EGM resolve to issue a maximum of 15 million warrants of series 2009/2011. Each warrant entitles to subscription of one new ordinary share in Rottneros from 26 November 2010 through 25 November 2011. The subscription price shall correspond to 120 per cent of the average most recent price paid for the company's share on NASDAQ OMX Stockholm between Thursday, 12 November 2009 and Wednesday, 25 November 2009, but cannot be lower than the par value of the share. The company's senior executives hold the right to subscribe to warrants, with departure from shareholders' preferential rights, and are divided into three categories according to the principles described below.

Category 1 (Chief Executive Officer) shall be offered the opportunity to subscribe for a maximum of 4,125,000 warrants.

Category 2 (Chief Financial Officer, director of marketing and certain mill managers) shall together be offered the opportunity to subscribe for a maximum of 8,100,000 warrants.

Category 3 (Certain other senior executives, four people in all) shall be offered the opportunity to subscribe for a maximum of 2,775,000 warrants.

An amount equivalent to the value of the warrants calculated using the Black & Scholes valuation model shall be paid for each warrant. Subscription and payment for the warrants shall be carried out no later than Thursday, 3 December 2009.

*b) Issue of warrants series 2009/2012*

The Board proposes that the EGM resolve to issue a maximum of 15 million warrants of series 2009/2012. Each warrant entitles to subscription of one new ordinary share in Rottneros from 26 November 2011 through 25 November 2012. The subscription price shall correspond to 130 per cent of the average most recent price paid for the company's share on NASDAQ OMX Stockholm from Thursday, 12 November 2009 through Wednesday, 25 November 2009, but cannot be lower than the par value of the share. The company's senior executives hold the right to subscribe to warrants, with departure from shareholders' preferential rights, and are divided into three categories according to the principles described below.

Category 1 (Chief Executive Officer) shall be offered the opportunity to subscribe for a maximum of 4,125,000 warrants.

Category 2 (Chief Financial Officer, director of marketing and certain mill managers) shall together be offered the opportunity to subscribe for a maximum of 8,100,000 warrants.

Category 3 (Certain other senior executives, four people in all) shall be offered the opportunity to subscribe for a maximum of 2,775,000 warrants.

An amount equivalent to the value of the warrants calculated using the Black & Scholes valuation model shall be paid for each warrant. Subscription and payment for the warrants shall be carried out no later than Thursday, 3 December 2009.

*Item 11:* The Nominating Committee which, in accordance with the procedure resolved by the 2009 AGM, consists of Olle Grundberg, Nemus Holding AB, chairperson of the Nominating Committee, Torgny Prior, Prior&Nilsson Fond och Kapitalförvaltning AB as well as chairman of the board Rune Ingvarsson, who together represent about 29 per cent of share capital and votes in the company, proposes that the EGM resolve that the company's Board should consist of four (4) ordinary members (a decrease of two) without deputies.

*Item 12:* The Nominating Committee proposes that Per Eiritz and Johan Holmgren be dismissed as directors.

*Item 13:* The Board proposes the following amendment to § 8 of the articles of association: "Notice of a general meeting shall be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website. At the time of notice, information that notice to a general meeting has been issued shall be announced in Dagens Nyheter, as well as in a daily newspaper published in Sunne." The Board's motion to amend § 8 of the articles of association in accordance with the above is conditional upon an amendment of the procedures for convening general meetings in the Swedish Companies Act (SFS 2005:551) having entered into force and the above proposed wording is consistent with the Swedish Companies Act.

**Decision Majority**

For resolutions on the Board's proposals under Items 6, 9 and 13 above, the resolutions of the meeting must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting. For resolutions on the Board's proposal under Item

10, the resolutions of the meeting must be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting. Passing other resolutions requires a simple majority (more than half of votes cast).

### **Documents**

The Board of Directors' complete proposal for resolutions, as well as other documents, will be available at the company and on the company's website, [www.rottneros.com](http://www.rottneros.com), no later than Wednesday, 28 October 2009 and will be sent at no cost to shareholders who notify the company that they intend to attend the EGM, or who request the documents and provide their postal address.

The total number of shares in the company is 188,432,105 shares, equivalent to 188,432,105 votes. The company holds 8,219,641 shares that cannot be represented at the EGM. This information was current at the time the notice was issued.

For other information please visit the Rottneros website, [www.rottneros.com](http://www.rottneros.com)

*Upplands Väsby October 2009  
The Board of Directors*

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For further information please contact:

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NB

This information is such that Rottneros must disclose in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 12 October 2009 at 10:30 a.m. CET.

Rottneros is an independent producer of market pulp. The Group comprises the parent company Rottneros AB, listed on NASDAQ OMX Stockholm, and its subsidiaries Rottneros Bruk AB and Vallviks Bruk AB with operations involving the production and sale of market pulp. The Group also includes the wood procurement company Rottneros Baltic SIA in Latvia and the sales company Rottneros S.A. in Belgium. The Rottneros Packaging AB division produces food packaging

made from paper pulp. The Group has around 350 employees and had a turnover of approximately SEK 2.9 billion in the 2008 financial year.