

PRESS RELEASE

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Rottneros to build new packaging factory in Spain

The Rottneros Group's Board of Directors has decided to invest in another factory for the production of its cellulose fibre based food packaging solution, SilviPak. The new factory, which is expected to be operational in spring 2008, will be constructed next to the Group's pulp mill in Miranda in northern Spain. The total investment is around SEK 50 million.

The reason for the decision is that capacity at the existing production facility, which is adjacent to the Rottneros Mill in Värmland, is not sufficient to meet demand. With the new factory, demand for the next 2 – 3 years will be covered.

"We are currently in negotiations with several large European customers, and in order to meet their needs, a significant increase in capacity is required. Also, having more than one production facility is a requirement that has been expressed by the majority of our customers," says Lars Blecko.

Rottneros has decided to build the factory adjacent to the pulp mill in Miranda partly to utilise the existing infrastructure and partly because the geographical location is convenient for deliveries to other parts of Europe.

Rottneros began producing the cellulose fibre based packaging solution under the SilviPak brand in spring 2006. It has good insulation properties and is well suited to chilled and frozen products that will be heated in the oven or microwave. One of the things that distinguishes SilviPak from plastic or aluminium packaging is its excellent environmental properties.

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Rottneros is one of the world's leading independent producers of market pulp. The Group consists of the parent company, Rottneros AB, which is listed on the Stockholm Stock Exchange, along with its subsidiaries Rottneros Bruk AB, Rockhammars Bruk AB, Utansjö Bruk AB and Vallviks Bruk AB in Sweden as well as Rottneros Miranda, S.A. in Spain, with activities involving production and sales of market pulp; the Group also includes the raw materials purchasing companies Rottneros Baltic SIA in Latvia and Rottneros Madeira in Portugal, as well as the sales company Rottneros S.A. in Belgium. The Group has established a new business area, Rottneros Packaging, for production of pulp-based packaging materials for food use. With approximately 750 employees, the Group has a turnover of approximately SEK 2.7 billion