

THE ROTTNEROS GROUP
INTERIM REPORT JANUARY – MARCH 2007
QUARTERLY REPORT JANUARY – MARCH 2006

Amounts in SEK million except per share data

		2007	2006
Net turnover	Jan. - March	740	700
Income after net financial items	Jan. - March	14	-43
Earnings per share after net financial items	Jan. - March	0.08	-0.24
Profit/loss after tax	Jan. - March	5	-33
Earnings per share after tax	Jan. - March	0.03	-0.18
Cash flow per share	Jan. - March	0.15	-0.31
Shareholders' equity per share		7.56	7.78 (31 Dec. 2006)
Equity/assets ratio		55 %	57 % (31 Dec. 2006)

- The income after net financial items for the first quarter of 2007 amounted to SEK 14 (-43) million.
- The increased cost of wood and a wood shortage negatively impacted the profit. Wood prices are expected to remain high for the rest of the year.
- The cost-cutting program started in 2006 resulted in cost reductions during the quarter of around SEK 15 million and is expected to bring savings for 2007 of SEK 85 million.
- In March it was announced that the Rottneros Group and the South African forest owning company NCT had signed a letter of intent to jointly evaluate the possibility of building a jointly-owned mill for the production of mechanical pulp of the CTMP type in South Africa. If the outcome of the evaluation is positive, the CTMP line in Utansjö will be moved to South Africa.
- The company is expecting the pulp market to remain strong and for price increases to continue during the year, particularly with respect to long-fibre pulp.
- The company will not be providing a forecast for the full year 2007.

ROTTNEROS IN BRIEF

Rottneros, with its origins in the 1600s, is a non-integrated, flexible supplier of customised, high-quality paper pulp. Through continuous product development, high delivery reliability, technical support and service, Rottneros is able to adapt to meet the high expectations of its customers.

Rottneros has a total production capacity of more than 700,000 tonnes of pulp per year produced at five mills in Sweden and Spain, making the Group one of the ten biggest suppliers of market pulp in the world. Increasingly intensive product development in line with customer demands will lead to higher and more stable profitability throughout an economic cycle. The Group has a comprehensive financial hedging policy to even out earnings over the economic cycles.

THE PULP MARKET

Markets and products

The market for all grades of pulp continued to develop well in the first quarter of 2007. Global deliver capacity utilisation for bleached chemical pulp for the January – February period was 91 % (96 % for the same period last year). Production capacity utilisation for the same period was 96 % (98 %).

The price of bleached long-fibre chemical pulp amounted to USD 760 during the period. Further price increases were announced effective 1 April 2007 and accordingly, the price of long-fibre chemical pulp (NBSK) will be increased to USD 780/tonne. The price of short-fibre chemical pulp has remained the same at USD 670.

Global producer stocks of bleached chemical pulp at the beginning of the year were at 3,044,000 tonnes, and at the end of February the preliminary figure was 3,744,000 tonnes.

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

The price at the beginning of the year was USD 760. Further price increases have been announced as of 1 April to USD 780. The long-fibre chemical pulp market continued to develop well during the quarter and there is currently a shortage of this grade of pulp.

Delivery capacity utilisation for the January – February period was 97 % (97 % for the same period in 2006), and production capacity utilisation for the same period was 97 % (97 %).

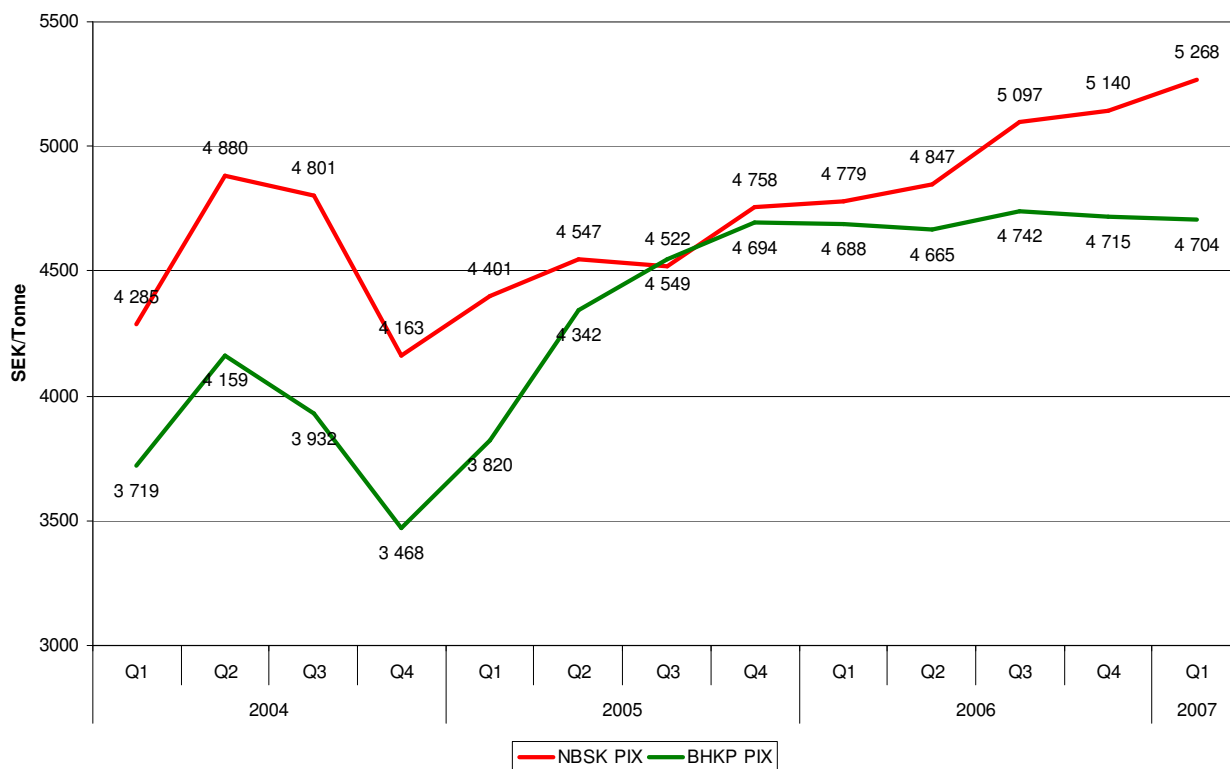
Short-fibre chemical pulp (produced in Miranda)

The price of eucalyptus pulp (BEK) remained the same and amounted to USD 670. Delivery capacity utilisation for the January – February period was 84 % (94 % for the same period the previous year), and production capacity utilisation for the same period was 94 % (93 %).

Mechanical pulp and CTMP (produced in Rottneros, Rockhammar and Utansjö)

The price of short-fibre CTMP remained the same during the quarter. The period was characterised by both high demand and high production levels. Delivery capacity utilisation for the January – February period was 91 % (102 % for the same period in 2006), and production capacity utilisation was 95 % (98 %). The price of large portions of the mechanical pulp production follows the price of short-fibre chemical pulp and thus remained the same in this quarter.

Development of PIX price in SEK

**PRODUCTION AND DELIVERIES**

The Group's five mills in Rottneros, Rockhammar, Utansjö, Vallvik and Miranda in Spain have a combined production capacity of around 700,000 tonnes per year. Production during the quarter amounted to 176,100 (174,600) tonnes and over a rolling twelve-month period, the production level exceeds 700,000 tonnes. Production in the quarter was affected by the wood shortage, which was also the reason for the decision to move maintenance work in Rottneros and Utansjö forward and the annual maintenance shutdown in Rockhammar to the first quarter. Annual maintenance shutdowns are also planned in Vallvik and Rottneros for the third quarter and in Miranda and Utansjö in the fourth quarter. All maintenance shutdown costs are reported in the period in which the shutdown takes place. The maintenance shutdowns in combination with other stoppages relating to the wood shortage reduced production during the first quarter. Since the maintenance shutdowns in the first quarter have only been moved forward, the company does not expect, in the present situation, the number of maintenance shutdown days in 2007 to be more than the previous year.

Deliveries from the mills in the first quarter of 2007 amounted to 182,900 (187,700) tonnes, which is 4,800 tonnes less than the previous year.

PRODUCTION (TONNES)	Jan - Mar 2007	Jan - Mar 2006
Sulphate pulp	85 500	86 500
Magnefite pulp	-	-
Groundwood pulp	39 100	35 600
CTMP	51 500	52 500
TOTAL	176 100	174 600
DELIVERIES (TONNES)	Jan - Mar 2007	Jan - Mar 2006
Sulphate pulp	85 500	94 100
Magnefite pulp	-	-
Groundwood pulp	36 300	38 400
CTMP	61 100	55 200
TOTAL	182 900	187 700

The average capacity utilisation at the mills during the year was 99 % (97), which breaks down as sulphate pulp 99 % (100), groundwood pulp 103 % (94) and CTMP 94 % (94).

INVOICED SALES AND RESULTS

January – March 2007 compared to January – March 2006

The Group's net turnover amounted to SEK 740 million (700). As the Rottneros Packaging operation is in the build-up phase, the accounts for this business area are not reported separately.

Sales for 2007 were SEK 40 million higher than the previous year, mainly due to: *reduced delivery levels (SEK -17 million), a weaker USD (SEK -78 million and higher pulp prices in USD (SEK 135 million)*. The average price of long-fibre sulphate pulp (NBSK) expressed in USD increased from USD 615 to USD 752, while the average price of NBSK pulp converted into SEK increased from SEK 4,779 to SEK 5,268 per tonne, an improvement of 10 %. The average price in USD of eucalyptus pulp (BEK) increased from USD 603 to USD 671 per tonne or by 11 %, while the corresponding average price converted to SEK increased from SEK 4,688 to 4,704 per tonne, a marginal increase.

The ongoing cost-cutting programme has resulted in cost savings for the quarter of around SEK 15 million and savings for 2007 of SEK 85 million are expected. Electricity costs, which increased dramatically last year were at an average of SEK 0.25 per kWh at the beginning of this year. In the long-term perspective, however, the price of electricity in the coming years remains a threat to mechanical pulp production. From 2008 and onwards, Rottneros will purchase electricity through Nord Pool at just over SEK 0.40 per kWh.

The supply of wood was severely disrupted at the end of 2006 and in the beginning of this year. The warm weather and wet ground combined with a storm called "Per" disrupted felling in December and January. The weather conditions also caused problems in the Baltic region and Russia and deliveries from these regions were significantly reduced.

In March it was announced that the Rottneros Group and the South African forest owning company NCT had signed a letter of intent to jointly evaluate the possibility of building a jointly-owned mill for the production of mechanical pulp of the CTMP type in South Africa. If the outcome of the evaluation is positive, the CTMP line at Utansjö Mill will be moved to South Africa. If Rottneros enters into an agreement with NCT at the end of 2007/beginning of 2008, a new mill could be up and running in 2009, which would mean that Utansjö Mill would continue to operate at its current capacity until the end of 2008. The part of Utansjö Mill that would be moved is the CTMP line, which has only been in operation since April 2005. Negotiations on the closure are still under way and no definitive plan has been drawn up as yet.

If the project is implemented, Rottneros will become a shareholder in a company that will have the potential to achieve good profitability and at the same time the project is expected to lower the company's indebtedness.

The Group's operating profit amounted to SEK 22 million (-43).

The costs that had the biggest impact on profits for the quarter compared to the same period the previous year are mainly the increase in the cost of wood amounting to SEK 39 million. Electricity costs were SEK 15 million lower for the quarter compared to the corresponding period in 2006. The first quarter 2006 profits were charged with a restructuring provision of SEK 27 million and around SEK 10 million for costs relating to the introduction of new niche grades at Utansjö. The result of realised hedging activities during the quarter amounted to SEK -19 million (21).

The Group's profit after net financial items was SEK 14 million (-43) and this includes a net financial expense of SEK -8 million (0). The profit after tax was SEK 5 million (-33). The tax cost for the quarter includes an adjustment for temporary differences. The Group's estimated tax rate without this adjustment is around 30 %. Earnings per share after tax amounted to SEK 0.3 (-0.18). Cash flow per share was SEK 0.15 (-0.31).

	2007	2006				Full year
	I	IV	III	II	I	
Profit/loss after financial items	14	21	1	-2	-43	-23
<u>Whereof:</u>						
Currency hedges	6	14	7	9	6	36
Pulp price hedges	-12	-8	-	-	-	-8
Electricity hedges	-14	14	29	15	15	73
Total hedges	-20	20	36	24	21	101
IAS 39	-2	-10	9	6	2	7
Green electricity	6	6	3	1	5	15

The parent company's profit after net financial items amounted to SEK -23 million (22). This includes the result of realised hedging activities on behalf of the whole Group, which negatively impacted the profit in the amount of SEK -19 million (21).

January – March 2007 compared to October – December 2006

Sales during the quarter increased by SEK 27 million compared to the fourth quarter of 2006. The increase is mainly due to: *higher delivery levels (SEK 9 million), a weaker USD (SEK -8 million) and higher pulp prices in USD (SEK 26 million).*

The production volume in the first quarter was 5,000 tonnes lower than in the fourth quarter due the fact there were fewer production days in the first quarter than in the fourth quarter. The higher cost of wood and the higher costs of oil and fuel affected the first quarter results in the amounts of SEK 19 million and SEK 12 million respectively. Realised hedging activities resulted in a loss in the first quarter of SEK -19 million, compared to a gain of SEK 20 million in the fourth quarter of 2006. The profit after financial items for the first quarter of 2007 amounted to SEK 14 million, compared to SEK 21 million for the fourth quarter of 2006.

ROTTNEROS PACKAGING

In 2006 Rottneros started producing packaging made from fibre pulp for chilled and frozen ready-cooked meals under the SilviPak brand. This venture, which is operated as a new business area called Rottneros Packaging, is expected to account for around 15 % of the Group's sales within a five-year period and take about a 5 % share of the European market. As the operation is still in the build-up phase, the accounts for this business area are not reported separately.

ACCOUNTING PRINCIPLES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, while the parent company's accounts have been prepared in accordance with RR 32. The accounting principles are the same as those used in the preparation of the most recent annual report. A detailed description of the Group's accounting principles can be found in Rottneros' 2006 Annual Report on pages 46 – 48.

RISK MANAGEMENT

USD

The average USD exchange rate during the quarter was 9 % lower than the previous year, at an average rate of 7.01 compared to 7.77 the previous year. The average USD rate for the fourth quarter of 2006 was 7.08. The affect on the turnover of a lower average USD rate against SEK during the quarter was a gain of SEK 78 million compared to the previous year. At the same time, the price of NBSK pulp continued to rise, amounting to USD 752 for the first quarter of 2007 compared to USD 615 the previous year, and USD 675 for the fourth quarter of 2006. Altogether this has resulted in an average improvement of the NBSK price in SEK of around 10 % for the first quarter of 2007 compared to the same period the previous year and of 6 % compared to the fourth quarter of 2006.

Essentially all pulp pricing is in USD. The aim is for the portion of the turnover that represents the direct inflow of USD to be hedged. The direct inflow of USD is equivalent to around 40 % of the turnover.

At the end of the quarter, currency hedging in the form of forward contracts was in place for USD 10 million at an average exchange rate of SEK 7.05 per USD. These contracts cover the next few months. In addition, forward contracts were in place at the end of the quarter for EUR 45 million at a rate of EUR 9.28/SEK for deliveries in 2007 and 2008.

Pulp prices

Pulp price forward contracts have been signed for two-year and three-year periods for a total volume of 168,000 tonnes maturing from the beginning of the fourth quarter of 2006 and thereafter. The rate is USD 634 per tonne.

Electricity

Rottneros is one of the companies in the forest industry sector that started working at an early stage with long-term contracts to fix electricity prices at attractive levels. In 2002 Rottneros hedged its entire electricity consumption up to 2005 and thereafter at progressively lower levels until 2009. For 2007 around 89 % of the electricity consumption is hedged. The level of hedging for 2008 and 2009 will be affected by an investment in a new turbine in Vallvik and the planned closure of Utansjö Mill. The average price level for electricity on the Nord Pool exchange for the first quarter was around SEK 0.25 per kWh, compared to SEK 0.45 kWh for 2006. Electricity hedging at current price levels for 2008 and thereafter is not feasible as this would mean that the company would risk locking itself into a loss situation.

The table below shows the market value of all hedging. The amounts are assessed by independent parties and represent the liquidation value, i.e. the value according to forward contracts as of 31 March 2007. The reference value is the spot rate as of 31 March and is given as supplementary information. Hedge contracts have a term of one to three years. As a result of the application of IFRS/IAS, these market values are reflected in the balance sheet and in certain cases, in the income statement, but are also shown here as supplementary information.

MARKET VALUE (SEK million) MARCH 2007:					
<i>Hedging</i>	<i>Hedged volume</i>	<i>Hedge price</i>	<i>Market value</i>		<i>Reference - spot rate</i>
					<i>31 March 2007</i>
Currency, USD, forward	USD 10 m	7,05 SEK/USD	1		7,00 SEK/USD
Currency, EUR	EUR 45 m	9,28 SEK/EUR	-2		9,34 SEK/EUR
Pulp price	141 000 tonnes	634 USD (PIX)	-98		USD 760/7,00 SEK/USD
Electricity	641 400 MWh	SEK 0.315 /kWh	-10		SEK 0.210/kWh
Total market value			-109		

MARKET VALUE (SEK million) MARCH 2006:					
<i>Hedging</i>	<i>Hedged volume</i>	<i>Hedge price</i>	<i>Market value</i>		<i>Reference - spot rate</i>
					<i>31 March 2006</i>
Currency, USD, forward	USD 66 m	7,80 SEK/USD	6		7,79 SEK/USD
Currency, EUR, forward	EUR 17 m	9,46 USD/EUR	1		9,44 SEK/EUR
Electricity	665 300 MWh	SEK 0.268 /kWh	116		SEK 0.422/kWh
Total market value			123		

COST-CUTTING PROGRAMME

The company has been impacted by cost increases, mainly relating to the price of electricity, but also costs for oil price related products and services such as freight, fuel and chemicals. The combination of investments made by the company to produce its own energy and intense measures to improve electricity efficiency is expected to result in lower electricity costs for the Group in 2007 compared to 2006. A sensitivity analysis shows that a change of SEK 0.10 per kWh would affect the earnings after net financial items by SEK 90 million.

At the beginning of February 2006 the company announced its decision to implement a cost-cutting programme to save SEK 100 million with a particular emphasis on variable costs and involving further staff cuts. The goal is to reduce the head count by about 70. The programme was drawn up during the first quarter of 2006. The savings for 2006 amounted to around SEK 40 million. Savings in the first quarter of 2007 reached SEK 15 million.

Following the announcement on the initiation of negotiations on the closure of Utansjö Mill, the cost-cutting programme was expanded in August to include the entire operation at Utansjö Mill. Negotiations on the closure are continuing. In addition, there is an investment and employment freeze at the Group's mill in Rottneros, which, like Utansjö, also produces mechanical pulp and could therefore be hit by future high electricity prices.

BUY-BACK AND SALE OF THE COMPANY'S OWN SHARES

The 2006 Annual General Meeting authorised the Board of Directors, for the period until the next AGM, to make decisions regarding the transfer of shares in the company. However, no such transfer was made during the period.

CAPITAL INVESTMENTS AND FINANCIAL POSITION

The Group's investment in fixed assets in the first quarter amounted to SEK 29 million (21). These investments mainly relate to ongoing investments in Vallvik of SEK 20 million, most of which is for the new turbine there.

The Rottneros Group's Board of Directors has taken the decision to invest in a new steam turbine to produce electricity at Vallvik Mill. The investment is expected to be around SEK 90 million. The new turbine, which will raise the level of self-sufficiency in electricity at Vallvik Mill from around 70 % to almost 100 %, is expected to be put into operation in September 2007.

Liquid funds at the end of the period amounted to SEK 150 million, compared to SEK 122 million at the end of 2006. As of 31 March 2007, the company had interest-bearing liabilities totalling SEK 474 million (555) and net borrowing of SEK 324 million (435). Approved but unutilised lines of credit totalled SEK 606 million. During the quarter the net borrowing was reduced and is now SEK 35 million less than at the end of the fourth quarter of 2006. The equity/assets ratio was 55 % compared to 57 % the previous year. The shareholders' equity per share amounted to SEK 7.56 (7.78 on 31 December 2006).

CASH FLOW

The cash flow from current operations before investments improved considerably, amounting to SEK 57 million (-34) and included cash flow from financial hedging of SEK -17 million (21). The cash flow after investment activity amounted to SEK 28 million (-54). Investments were financed by cash flow from operations. The improved cash flow will make it possible to further reduce the company's indebtedness due to the repayment of a syndicated loan.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees during the reporting period was 746 (791).

OUTLOOK FOR 2007

As of 1 April 2007 further price increases have been announced, and accordingly the price of long-fibre chemical pulp (NBSK) is raised to USD 780/tonne. The price of short-fibre sulphate pulp is expected to remain at USD 670/tonne.

Demand for bleached chemical pulp is estimated to increase in 2007 by around 2.5 %, which is somewhat lower than the increase in 2006. The price development for long-fibre pulp is expected to continue to be positive during the first half of the year. The price development with respect to short-fibre pulp is more difficult to estimate due to the fact that new production capacity disrupts the balance.

The company will not be providing a forecast for the full year 2007.

In connection with the year end report of February 1, 2007 it was stated:

As of January 1, 2007 further price increases have been realized meaning that the price for long-fibre sulphate pulp (NBSK) was raised to USD 760/tonne. For short-fibre sulphate pulp the price has remained at USD 670/tonne.

Demand for bleached chemical pulp during 2007 is estimated to increase by approximately 2.5 per cent which is somewhat lower than the development during 2006. The price development for long-fibre pulp is expected to be continuously positive during the first half of the year. As to short-fibre pulp the price development is difficult to form an opinion of due to the fact that new production capacity is disturbing the balance.

DIVIDEND FOR 2006

At the Annual General Meeting on 25 April 2007, the Board of Directors will propose a dividend of SEK 0.10 per share (SEK 0.10 per share). The proposed record date is 30 April and the dividend is expected to be paid out to shareholders on 4 May.

UPCOMING FINANCIAL INFORMATION

- 27 July 2007 - Interim report, 6 months 2007
- 25 October 2007 - Interim report 9 months 2007
- 1 February 2008 - Year-end release for 2007

For more information please visit the Rottneros website: www.rottneros.com.

Upplands Väsby, 25 April 2007

Lars Blecko
President and CEO

Lars Blecko and Karl Ove Grönqvist will be available on 25 April at tel. +46 565 68 88 43 between 8 and 9 a.m.

Analyst and press conference

Analysts and the press are invited to an analyst and press conference on 26 April at 10 a.m. at the offices of Hallvarsson & Halvarsson, Birger Jarlsgatan 6B, Stockholm, Sweden, tel. +46 8 407 22 00. Please register with Camilla Nilsson. +46 8 407 22 22, e-mail: camilla.nilsson@halvarsson.se

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CONSOLIDATED PROFIT/LOSS ACCOUNTS (SEK million)

	Jan - Mar 2007	Jan - Mar 2006	Full year 2006
Net turnover	740	700	2 690
Change in inventories, finished goods	-6	-44	-4
Other income	16	38	97
Total income	750	694	2 783
Raw materials and consumables	-431	-402	-1 573
Other costs	-162	-163	-643
Personnel costs	-97	-133	-419
Depreciation	-38	-39	-155
Total operating costs	-728	-737	-2 790
Operating income	22	-43	-7
Financial income	-	4	7
Financial expenses	-8	-4	-23
Net financial items	-8	-	-16
Income after net financial items	14	-43	-23
Tax on income for the year	-9	10	15
Net profit/loss after tax	5	-33	-8
No. of shares at beginning of period ¹⁾	180 212	180 212	180 212
No. of company's own shares bought back ¹⁾	-	-	-
No. of shares at end of period ¹⁾	180 212	180 212	180 212
Average no. of shares ¹⁾	180 212	180 212	180 212
Earnings after tax/share (SEK) ²⁾	0,03	-0,18	-0,05

Key indicators that affect turnover

Pulp price NBSK, USD ³⁾	752	615	675
USD/SEK ⁴⁾	7,01	7,77	7,37
Pulp price NBSK, SEK	5 268	4 779	4 977
Rottneros' deliveries, tonnes	182 900	187 700	699 500

¹⁾ The number of shares is given in thousands.

²⁾ There are no programs that lead to dilution.

³⁾ Source: PIX/Market Pulse.

⁴⁾ Source: Swedich central bank yearly average.

CONSOLIDATED BALANCE SHEET (SEK million)

	Mar 2007	Mar 2006	Dec 2006
Intangible fixed assets	33	40	36
Tangible fixed assets	1 282	1 320	1 284
Financial fixed assets	41	64	43
Total fixed assets	1 356	1 424	1 363
Inventories	390	384	397
Current receivables	571	753	570
Liquid funds	150	120	122
Total current assets	1 111	1 257	1 089
Assets from discontinued operations	-	-	-
Total assets	2 467	2 681	2 452
Shareholders' equity	1 363	1 525	1 403
Longterm liabilities			
Interest-bearing	176	180	177
Non interest-bearing	82	106	85
Total longterm liabilities	258	286	262
Current liabilities			
Interest-bearing	298	375	304
Non interest-bearing	548	495	483
Total current liabilities	846	870	787
Liabilities from discontinued operations	-	-	-
Total shareholders' equity and liabilities	2 467	2 681	2 452

CASH-FLOW ANALYSIS (SEK million)

	Jan - Mar 2007	Jan - Mar 2006	Jan - Dec 2006
Operating income	22	-43	-7
Adjustment for non cash-flow items			
Depreciation	38	39	155
Profit/loss from disposal of fixed assets	-	1	3
	60	-3	151
Paid financial items	-9	-4	-18
Paid taxes	-3	2	-3
Cash-flow from current operations before change in working capital	48	-5	130
Change in working capital	9	-29	19
Cash-flow from current operations	57	-34	149
Acquisition of fixed assets	-29	-21	-113
Sale of fixed assets	-	-	-
Change in long-term receivables	-	1	2
Cash-flow from capital investments	-29	-20	-111
New loans	-	50	-
Repayment of loans	-2	-	-18
Dividend paid	-	-	-18
Cash-flow from financing	-2	50	-36
Cash-flow for the period/year	26	-4	2
Liquid funds at beginning of year	122	125	125
Cash-flow for the period/year	26	-4	2
Translation difference in liquid funds	2	-1	-5
Liquid funds at end of period/year	150	120	122

SHARE DATA^{1), 6)}

		Mar 2007	Mar 2006	2006	2005	2004	2003	2002
No. of shares at beginning of period ²⁾	No.	180 212	180 212	180 212	180 212	180 722	182 980	188 399
No. of company's own shares bought back ²⁾	No.	-	-	-	-	510	2 258	5 419
No. of shares at end of period ²⁾	No.	180 212	180 212	180 212	180 212	180 212	180 722	182 980
Average number of shares ²⁾	No.	180 212	180 212	180 212	180 212	180 392	181 422	187 709
Operating profit or loss/share	SEK	0,12	-0,24	-0,04	-0,50	-0,64	0,67	0,31
Earnings after net financial items/share	SEK	0,08	-0,24	-0,13	-0,57	-0,67	0,64	0,46
Earnings after tax/share	SEK	0,03	-0,18	-0,05	-0,35	-0,50	0,47	0,29
Operating cash-flow/share ³⁾	SEK	0,15	-0,31	0,19	-2,28	-0,41	-0,23	-0,13
Equity/share	SEK	7,56	8,46	7,78	8,45	9,28	9,50	9,33
Dividend ⁴⁾	SEK	-	-	0,10	0,10	0,20	0,30	0,30
Dividend/equity per share	%	-	-	1,3	1,2	2,2	3,2	3,2
Share price at end of period	SEK	6,05	7,45	6,55	6,80	7,55	8,55	7,45
Share price/equity per share	Times	0,8	0,9	0,8	0,8	0,8	0,9	0,8
P/E ratio	Times	-	-	Neg	Neg	Neg	18,3	25,3
Direct yield ⁵⁾	%	-	-	1,5	1,4	2,6	3,5	4,0

¹⁾ There are no programs that lead to dilution.

²⁾ The number of shares is given in thousands.

³⁾ Cash-flow after normal investments but excluding strategic investments.

⁴⁾ Proposed dividend

⁵⁾ Direct yield is calculated in relation to the closing listed price.

⁶⁾ The years 2002 and 2003 have not been recalculated in respect of the IFRS transition. Adjustment should be made for IAS 39.

CHANGE IN SHAREHOLDERS' EQUITY (SEK million)

	Jan - Mar 2007	Jan - Mar 2006	Full year 2006
Opening shareholders' equity	1 403	1 523	1 523
Adjustment of opening shareholders' equity in respect of the IFRS transition (for specification see enclosure)	-45	35	-94
Profit/loss for the year	5	-33	-8
Dividend	-	-	-18
Closing shareholders' equity	1 363	1 525	1 403

QUARTERLY DATA (SEK million)

	2007	2006				2005			
	I	IV	III	II	I	IV	III	II	I
Net turnover	740	713	662	615	700	607	641	596	585
Operating profit/loss before depreciation	60	69	47	36	-4	17	-24	43	12
Depreciation	-38	-42	-36	-38	-39	-34	-37	-34	-33
Operating profit/loss	22	27	11	-2	-43	-17	-61	9	-21
Net financial items	-8	-6	-10	-	-	-4	-4	-2	-3
Profit/loss after financial items	14	21	1	-2	-43	-21	-65	7	-24
Tax	-9	3	-2	4	10	17	20	-6	9
Profit/loss after tax	5	24	-1	2	-33	-4	-45	1	-15
Pulp production, 1 000 tonnes	176,1	181,1	167,8	175,4	174,6	176,9	163,2	157,1	151,1
Pulp deliveries, 1 000 tonnes	182,9	178,9	168,7	164,2	187,7	165,8	175,7	162,9	162,3
Sawn timber production, 1 000 m ³	-	-	-	-	-	-	-	-	1,3
Sawn timber deliveries, 1 000 m ³	-	-	-	-	-	-	-	-	10,3

SIX YEAR REVIEW

	Jan - Mar	Jan - Mar	2006		2005		2004		2003	2002
	2007	2006	Remaining operations	Total	Remaining operations	Total	Remaining operations	Total		
Key indicators that effect turnover										
Pulp price NBSK, USD ¹⁾	752	615	675	611			617		524	463
USD/SEK ²⁾	7,01	7,77	7,37	7,48			7,35		8,09	9,72
Pulp price NBSK, SEK	5 268	4 779	4 977	4 565			4 532		4 235	4 500
Rottneros' deliveries, tonnes	182 900	187 700	699 500	666 700			625 000		641 100	630 500
Turnover and income, SEK million										
Net turnover	740	700	2 690	2 411	2 429	2 272	2 356	2 380	2 494	
Profit/loss before depreciation	60	-4	148	9	48	129	109	239	171	
Depreciation	-38	-39	-155	-138	-138	-162	-223	-117	-113	
Operating profit/loss after depreciation	22	-43	-7	-129	-90	-33	-114	122	57	
Net financial items	-8	-0	-16	-12	-13	-5	-7	-7	29	
Profit/loss after net financial items	14	-43	-23	-141	-103	-38	-121	115	86	
Profit/loss after tax	5	-33	-8	-91	-63	-31	-91	85	55	
Balance sheet items, SEK million										
Fixed assets	1 356	1 424	1 363	1 435		1 349		1 249	1 197	
Inventories	390	384	397	430		474		388	401	
Current receivables	571	753	570	595		572		443	425	
Short-term investments	-	-	-	-		-		-	-	
Liquid funds	150	120	122	125		157		252	350	
Assets from discontinued operations	-	-	-	26		16		-	-	
Shareholders' equity	1 363	1 525	1 403	1 523		1 673		1 717	1 706	
Long-term interest-bearing liabilities	176	180	177	180		186		42	6	
Long-term non interest-bearing liabilities	82	106	85	118		174		158	143	
Current interest-bearing liabilities	298	375	304	375		56		6	2	
Current non interest-bearing liabilities	548	495	483	405		472		414	516	
Liabilities from discontinued operations	-	-	-	10		7		-	-	
Balance sheet total	2 467	2 681	2 452	2 611		2 568		2 332	2 373	
Financial ratios										
Operating margin	%	2,9	-6,1	-0,3	-5,3	-3,7	-1,5	-4,9	5,1	2,3
Profit margin	%	1,8	-6,1	-0,9	-5,8	-4,2	-1,7	-5,2	4,8	3,5
Return on capital employed	%	3	Neg	Neg	Neg	Neg	Neg	Neg	7	5
Return on equity after full tax	%	2	Neg	Neg	Neg	Neg	Neg	Neg	5	3
Equity/assets ratio	%	55	57	57	58	58	65	64	73	72
Debt/equity ratio	Times	0,4	0,4	0,3	0,4	0,4	0,2	0,2	0,0	-
Interest cover	Times	3,1	Neg	Neg	Neg	Neg	Neg	Neg	18,2	29,4
Other										
Capital expenditure	SEK m	106	21	113	234	234	283	283	193	244
Average no. of employees		746	791	754	804	804	835	835	857	860

¹⁾ Source: PIX/Market Pulse

²⁾ Source: Swedish central bank yearly average

³⁾ The years 2002 and 2003 have not been recalculated in respect of IFRS. Adjustment should be made for IAS 39.

