

PRESS RELEASE

Upplands Väsby, Sweden, 27 October 2006

### **Rottneros – Third Quarter**

## **A positive result despite maintenance shutdowns and dramatically increased electricity prices**

**In the third quarter 2006 the Rottneros Group made a profit after net financing of SEK 1 million, compared with a loss of SEK 65 million in the third quarter 2005. The result for the first nine months of 2006 was a loss after net financing of SEK 44 million, an improvement of SEK 38 million compared with the same period in 2005, when the result was a loss of SEK 82 million. The results are presented in the interim report for the first nine months of the year.**

The improved result compared with the same period in 2005 is partly explained by cost reductions of SEK 27 million as a result of the ongoing cost-cutting programme, and partly by a strong pulp market in 2006 which has resulted in a price increase of approximately 10 percent, depending on pulp grade. Moreover, production and availability in the mills has been at record levels.

The result in the first three quarters was negatively affected by increases in electricity costs amounting to SEK 84 million. During the third quarter the result was affected by SEK 24 million as a result of the electricity price increases. In addition, costs of around SEK 30 million were charged in the third quarter for planned maintenance shutdowns, which is approximately the same level as in previous years. The higher electricity prices are also behind the decision announced in late August to cease operations at Utansjö Mill and evaluate the possibility to transfer the facility to a country with lower, more stable electricity prices.

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#### Analysts' and journalists' conference

Analysts and journalists are invited to an analysts' conference to be held at 10 a.m. on 27 October at Hallvarsson & Halvarsson, Birger Jarlsgatan 6B, Stockholm. Tel. +46 (0)8 587 112 00. Register with Tove Håkansson: +46 (0)8 587 11278, e-mail: [tove.hakansson@halvarsson.se](mailto:tove.hakansson@halvarsson.se)

<p>Rottneros is one of the world's leading independent producers of market pulp. The Group comprises the parent company Rottneros AB, listed on the Stockholm Stock Exchange, and its subsidiaries Rottneros Rockhammar AB, Utansjö Bruk AB and Vallviks Bruk AB in Sweden as well as Rottneros Miranda, S.A. in Spain, all with operations involving the production and sale of market pulp. The Group also includes the wood procurement companies Rottneros Baltic SIA of Latvia and Rottneros Madeiras of Portugal. The Group now has a new division, Rottneros Packaging, which produces food packaging made from paper pulp. The Group has around 800 employees and net sales of approximately SEK 2.4 billion.</p>
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