

PRESS RELEASE FROM ROTTNEROS AB

Rottneros rejects call for biopurification at Vallvik Mill

Measurements show that Ljusnefjärden is in very good condition. Extensive studies also show that the bay would not benefit from a biopurification plant at Vallvik Mill. In light of this, Vallvik's owner, the Rottneros Group, has decided to reject a call from the County Administrative Board in Gävleborg County to build a biopurification plant at the pulp mill outside Söderhamn in Hälsingland, and has informed the Environmental Court in Östersund of this decision in a formal letter.

Vallvik Mill was instructed in an environmental decision in May 2003 to build the plant. This was linked to the production of the bleached pulp grade, TCF. The mill stopped producing TCF at the end of 2005 because sales had been falling significantly for a number of years.

Chemical and biological tests carried out on the mill's waste water show that it does not have any measurable negative impact on the environment. Despite this, the County Administrative Board has called for a biopurification plant to clean process waste water to be put into operation by 30 October 2007 and Rottneros has now rejected this request.

"Measurements carried out in Ljusnefjärden, the part of the Gulf of Bothnia that receives process water from Vallvik Mill, show that the bay is in very good condition and that biopurification would not have any measurable positive impact on the marine environment," says Rottneros' CEO Lars Blecko.

"Biopurification would, in fact, increase the overall environmental impact by increasing energy consumption and transportation, and therefore also carbon dioxide emissions. We have biopurification plants where they are needed, for example at our mills in Rottneros and Rockhammar," says Lars Blecko.

Back in 2001 – following a decision by the Environmental Court in Östersund – an investment programme of SEK 115 million was launched in Vallvik. The programme mainly comprised internal measures to reduce environmental impact. As a result of these investments, which ended in 2003, the emissions into water of oxygen demanding chemical substances (COD) have dropped by 15 per cent.

The Environmental Court in Östersund will now look at the claims of the County Administrative Board and Rottneros. Rottneros will provide additional support in the case for its rejection of the request.

Upplands Väsby, 24 May 2006

Appendix: Background to the decision

Further information: CEO Lars Blecko, 08/590 010 00

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 also has a new business area, Rottneros Packaging, which produces food packing materials made from paper pulp. The Group has 800 employees and net sales of approximately SEK 2.4 billion.

