

**PRESS RELEASE
FROM
ROTTNEROS AB**

**SEK 100 Million Cost-Cutting Program
Rising electricity prices main reason**

Rottneros announced in its 2005 year-end report that it will carry out a new cost-cutting program to save SEK 100 million with a special focus on variable costs, including staff cutbacks affecting about 70 positions. Co-determination (MBL) negotiations will begin immediately.

The main reason for the cost-cutting program is that Rottneros will be hit by additional cost increases in 2006 because of significantly higher electricity prices.

Rottneros faces cost increases due to higher electricity prices in 2006 of almost SEK 55 million compared with 2005. With the current price structure for electricity Rottneros could face additional cost increases in 2007.

For more information: President and CEO Lars Blecko +46 (0)8/590 010 00

Rottneros is one of the world's leading independent manufacturers of market pulp. The Group consists of the parent company, Rottneros AB, which is listed on the Stockholm Stock Exchange, along with its subsidiaries of Rottneros Rockhammar AB, Utansjö Bruk AB and Vallviks Bruk in Sweden as well as Rottneros Miranda, S.A. in Spain, with activities involving production and sales of market pulp, plus the raw materials purchasing company of Rottneros Baltic SIA in Latvia. The Group has a total of 835 employees and a turnover of approximately SEK 2.3 billion.