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Press release, 7 November 2012

Arctic Paper to form an integrated pulp and fine paper group with a leading position in Europe – launches a recommended public offer to the shareholders of Rottneros

Arctic Paper S.A. ("Arctic Paper"), a leading producer of graphic fine paper, with paper mills in Sweden, Poland and Germany, and listed on the Warsaw Stock Exchange, hereby announces a public offer to acquire all shares in Rottneros AB ("Rottneros"), a non-integrated supplier of high quality paper pulp listed on NASDAQ OMX Stockholm (the "Offer"). Combined, Arctic Paper and Rottneros will create a leading integrated player on the European pulp and fine paper market.

Summary:

- For each Rottneros share, the shareholder is offered 0.1872 new Arctic Paper shares. Shareholders in Rottneros owning up to and including 2,000 shares in Rottneros can, as an alternative, choose to receive a cash consideration of SEK 2.30 for each Rottneros share. The value of the cash consideration corresponds to the value of the share consideration.¹
- A combination of Arctic Paper and Rottneros (the "Combined Group") is based on sound industrial logic and constitutes a proactive step towards establishing a leading position in the European pulp and fine paper industry.
- Through the creation of an integrated pulp supplier and fine paper producer, the Combined Group will be far less vulnerable to volatile pulp market prices over a business cycle. Furthermore, the Combined Group mitigates currency risks through a reduced exposure to non-European currencies. Consequently, the volatility in financial performance is expected to decrease.
- Arctic Paper will, in connection with the Offer, apply for listing on NASDAQ OMX Stockholm, in addition to its primary listing on the Warsaw Stock Exchange.
- The Offer represents a premium of 27.3 percent compared to Rottneros' volume-weighted average share price during the last 90 calendar days up to and including 6 November 2012, a premium of 26.2 percent compared to Rottneros' volume-weighted average share price during the last 30 calendar days up to and including 6 November 2012, and a premi-

¹ Based on the closing price for the Arctic Paper share and a SEK/PLN mid exchange rate published by the Swedish Central Bank (Sw: *Riksbanken*) on 6 November 2012 (the last trading day prior to announcement of the Offer).

um of 14.4 percent compared to Rottneros' last paid share price before the trading halt on 6 November 2012, the last trading day prior to the announcement of the Offer.²

- The geographical proximity between Rottneros' pulp mills and Arctic Paper's paper mills gives logistic advantages and reduces transportation costs. Together with other synergies, mainly pertaining to administration, it is estimated that total annual cost synergies of approximately SEK 80 million (PLN 39 million)³ would be fully realized within 12 to 18 months.
- The Combined Group will benefit from a significantly increased operational capacity, a strengthened balance sheet and better access to the capital markets. Hereby, the Combined Group will be well positioned to exploit future strategic investment opportunities.
- It is the view of Arctic Paper that the Combined Group will be able to pay out dividend going forward in line with Arctic Paper's current dividend policy, i.e. corresponding to between 25 and 50 percent of the consolidated net profit for the relevant year, unless significant investments are required.
- Taken together, Arctic Paper and Rottneros had an adjusted sales revenue of SEK 6,946 million (PLN 3,161 million), and adjusted earnings before interest, tax, depreciations and amortizations of SEK 409 million (PLN 186 million) for the full year 2011.⁴
- Rottneros' Board of Directors unanimously recommends the Offer. Further, Nemus Holding AB ("Nemus Holding"), the largest shareholder in Rottneros representing 20.2 percent of the shares and votes in Rottneros, supports the combination of Arctic Paper and Rottneros and has irrevocably and unconditionally undertaken to accept the Offer. In addition, Danske Bank A/S and DNB Bank ASA, representing, in aggregate, 8.5 percent of the shares and votes in Rottneros, have stated to Arctic Paper that they are positive towards, and intend to accept, the Offer. Such statements do not imply binding commitments to accept the Offer. Accordingly, in total, shareholders representing 28.7 percent of the shares and votes in Rottneros have undertaken to accept the Offer or stated that they are positive towards, and intend to accept, the Offer.
- The acceptance period of the Offer is expected to commence on or around 22 November 2012 and expire on or around 12 December 2012. Settlement and first day of trading for Arctic Paper on NASDAQ OMX Stockholm is expected to take place on or around 20 December 2012.

Comments from Arctic Paper

"The combination between Arctic Paper and Rottneros is a good and important deal. Significant synergies increase profitability and should also reduce the volatility in earnings through both pulp and paper production, and a reduced dollar dependency. We get a stronger balance sheet and a higher combined market cap. This will be good for both shareholders and employees." says Olle Grundberg, Chairman of the Supervisory Board of Arctic Paper.

² Based on the closing price for the Arctic Paper share and a SEK/PLN mid exchange rate published by the Swedish Central Bank (Sw: Riksbanken) on 6 November 2012 (the last trading day prior to announcement of the Offer).

³ Unless otherwise indicated all PLN/SEK exchange rates are based on mid exchange rate published by the Swedish Central Bank (Sw: Riksbanken) on 6 November 2012 (the last trading day prior to announcement of the Offer).

⁴ Based on the average daily exchange rate published by the Swedish Central Bank during the relevant period. The financial information is an aggregation of the financial information for the relevant time periods for the purpose of illustrating the Combined Group's sales and earnings under the assumption that the activities were included in the same group from the beginning of each period and should not be viewed as pro forma since adjustments have not been made for the effects of future acquisitions analyses, differences in accounting policies and transaction costs.

Arctic Paper in brief

Arctic Paper has its roots in the Swedish Trebruk AB group, established in 1990 with Munkedal as one of the mills. Over time, Arctic Paper has expanded geographically to become the second-largest European producer of bulky book paper and one of Europe's leading producers of fine graphic paper. Arctic Paper is a major purchaser of paper pulp, from which it produces numerous types of paper for printing houses, paper distributors, book and magazine publishing houses and the advertising industry.

The group's paper mills are located in Sweden (Grycksbo and Munkedal), Poland (Kostrzyn nad Odra) and Germany (Mochenwangen) with a total annual production capacity of more than 800,000 tonnes of paper. Through fifteen wholly-owned sales and distribution companies, Arctic Paper has access to all European markets. In 2011, Arctic Paper employed close to 1,600 people and the consolidated sales revenue amounted to PLN 2,527 million (SEK 5,552 million). Arctic Paper is listed on the Warsaw Stock Exchange since 2009.

More information regarding Arctic Paper is available on Arctic Paper's website, www.arcticpaper.com.

Rottneros in brief

Rottneros is an independent producer of high quality, customized paper pulp for the open market. It is well renowned for its ability to continuously adapt to meet increasing customer expectations by developing its products and maintaining high levels of delivery reliability, technical support and service.

Rottneros operates two pulp mills in Sweden, with a total annual production capacity of approximately 400,000 tonnes. In 2011, Rottneros employed around 300 people and the consolidated sales revenue amounted to SEK 1,513 million (PLN 689 million). Rottneros is listed on NASDAQ OMX Stockholm since 1987.

More information regarding Rottneros is available on Rottneros' website, www.rottneros.com.

Background and reasons

Substantial operational synergies

The combination of Arctic Paper and Rottneros is expected to lead to cost synergies within purchasing, logistics and overhead. The main purchasing and logistics synergies are expected to be attributable to an increase in Rottneros' supply of pulp to Arctic Paper, reducing the Combined Group's need for external sales and purchases of pulp. The combination also entails lower costs for head offices, certain personnel and costs associated with the parent companies. On the production level synergies are created by e.g. a functional integration of administration, logistics, IT and HR functions between the mills, which are geographically closely located. In total, synergies are estimated to approximately SEK 80 million (PLN 39 million). The synergies are estimated to be fully realized within 12 to 18 months.

Reduced fluctuations and improved balance

The combination creates a natural hedge for the Combined Group against the fluctuations in the pulp price, as an improved balance is created between Rottneros' sales and Arctic Paper's purchases. In 2011, Rottneros produced 324,000 tonnes of different pulp qualities and Arctic Paper's pulp purchases during the same period amounted to approximately 530,000 tonnes of different pulp qualities. In 2011, approximately 7 percent of Arctic Paper's pulp purchases were sourced from Rottneros. An improved balance between sales and purchases of pulp is created although Arctic Paper will continue to source a large part of its pulp supply from other suppliers and hence continue to be exposed to the global market pulp price. The Combined Group will continue to sell the majority of its pulp on the global market, mitigating the effect of higher pulp purchasing costs for Arctic Paper.

The combination will also lead to the Combined Group decreasing its currency exchange exposure against non-European currencies, primarily the USD. The decreased fluctuations related to currency and pulp price also decrease the need of, and cost for, hedging. Consequently, the volatility due to currency and pulp price fluctuations in financial performance is expected to decrease.

Capital markets aspects

The transaction will give Arctic Paper better access to the capital market and the Combined Group will have a higher market capitalization and a larger number of shareholders than Arctic Paper has today. The combined market capitalization of Arctic Paper and Rottneros is approximately SEK 987 million (PLN 476 million).⁵ Arctic Paper will apply for listing on NASDAQ OMX Stockholm, in addition to its primary listing on the Warsaw Stock Exchange. As a result of the Offer, Arctic Paper's free float is expected to significantly increase.

A strengthened financial platform

The Combined Group will have a strong financial position and an optimized capital structure. In addition, the Combined Group will be able to allocate more resources to a larger number of interesting business opportunities. The Combined Group is also expected to record more stable sales revenues and operating profits and realize synergies that will enhance the Combined Group's financial performance.

⁵ Based on the closing prices for each of the Arctic Paper share and the Rottneros share, and a SEK/PLN mid exchange rate published by the Swedish Central Bank on 6 November 2012 (the last trading day prior to announcement of the Offer).

The Offer

Share Alternative

For each share in Rottneros tendered in the Offer, the shareholder will receive 0.1872 newly issued shares in Arctic Paper (the "Share Alternative").

Only whole shares in Arctic Paper will be delivered to Rottneros shareholders who accept the Share Alternative. Fractions of shares will be combined and sold on NASDAQ OMX Stockholm on behalf of the Rottneros shareholders concerned, and the average net proceeds will thereafter be distributed among such shareholders in relation to the size of each shareholder's fraction of an Arctic Paper share.

Cash Alternative

As an alternative to the Share Alternative, shareholders who own up to and including 2,000 shares in Rottneros can choose to receive a consideration of SEK 2.30 in cash for each share in Rottneros tendered in the Offer (the "Cash Alternative").⁶

Offer consideration adjustment, etc.

The offer consideration under the Share Alternative and the Cash Alternative will be adjusted should Rottneros, prior to the settlement of the Offer, distribute a dividend or in any other way distribute or transfer funds to its shareholders.

No commission will be charged in connection with the Offer.

Warrants issued by Rottneros

The Offer does not comprise Rottneros' warrants 2010/2013 series A⁷ which have been issued during 2010 to a limited number of members of senior management of Rottneros within a share-related incentive program. Arctic Paper will procure that the holders of such warrants receive a fair treatment and intends to make a private offer with a consideration of approximately in aggregate SEK 17 (PLN 8) for all 12 million warrants.

Offer value and premium⁸

The total value of the Offer for all shares in Rottneros amounts to approximately SEK 351 million (PLN 169 million), corresponding to SEK 2.30 per share in Rottneros.

⁶ The Cash Alternative is offered only to shareholders in Rottneros who own up to and including 2,000 shares as of 2 November 2012 (being the most recent time prior to announcement of the Offer for which Arctic Paper has access to complete ownership information from Euroclear Sweden) as well as at the time of the completion of the Offer, provided that the shares of such shareholders are directly registered or registered in the name of an authorized nominee pursuant to the Swedish Act (1998:1479) on Record-Keeping of Financial Instruments. Shareholders in Rottneros who hold shares through other nominees or custodians are offered only the Share Alternative. Accordingly, for example, a shareholder in Rottneros who holds shares through a deposit bank or other agent, that appears to be a nominee registered shareholder in Euroclear Sweden's VPC system, is offered only the Share Alternative (and not the Cash Alternative).

⁷ Rottneros currently has 12,000,000 outstanding warrants 2010/2013 series A. Each warrant entitles the holder to subscribe for 0.1 new Rottneros share, i.e. 10 warrants are required to subscribe for 1 new Rottneros share. The subscription price for each new Rottneros share is SEK 9.75 in cash. The warrants can be exercised for subscription of new Rottneros shares at any time up to and including 16 May 2013.

⁸ The Offer value and premium calculations are based on 152,571,925 outstanding shares in Rottneros (i.e. excluding 821,965 own shares held by Rottneros), and the closing price of the Arctic Paper share as well as the SEK/PLN mid exchange rate published by the Swedish Central Bank on 6 November 2012 (the last trading day prior to announcement of the Offer).

Based on the volume-weighted average price for the Rottneros share on NASDAQ OMX Stockholm during the last 90 calendar days up to and including 6 November 2012 of SEK 1.81, the Offer represents a premium of 27.3 percent. Based on the volume-weighted average price for the Rottneros share on NASDAQ OMX Stockholm during the last 30 calendar days up to and including 6 November 2012 of SEK 1.82, the Offer represents a premium of 26.2 percent. Based on the last paid share price for the Rottneros share on NASDAQ OMX Stockholm before the trading halt on 6 November 2012, the last trading day prior to announcement of the Offer, of SEK 2.01, the Offer represents a premium of 14.4 percent.

Conditions for completion of the Offer

The completion of the Offer is conditional upon:

- 1) the Offer being accepted to such extent that Arctic Paper becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Rottneros on a non-diluted basis as well as on a fully diluted basis;
- 2) the resolutions necessary for the delivery of Arctic Paper shares in connection with the Offer being (a) adopted by Arctic Paper's general meeting and (b) registered by the relevant registry court;
- 3) with respect to the Offer and completion of the acquisition of Rottneros, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities, being obtained, in each case on terms which, in Arctic Paper's opinion, are acceptable;
- 4) no other party announcing an offer to acquire shares in Rottneros on terms that are more favorable to the shareholders of Rottneros than the Offer;
- 5) neither the Offer nor the acquisition of Rottneros being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which Arctic Paper could not reasonably have foreseen at the time of announcement of the Offer;
- 6) no circumstances, which Arctic Paper did not have knowledge of at the time of announcement of the Offer, having occurred that have or can be expected to have a material adverse effect upon Rottneros' sales, profit, liquidity, equity or assets;
- 7) no information made public by Rottneros being materially inaccurate, incomplete or misleading, and Rottneros having made public all information which should have been made public by it; and
- 8) Rottneros not taking any measures that are likely to impair the prerequisites for making or implementing the Offer.

Arctic Paper reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2–8, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Arctic Paper's acquisition of Rottneros or if otherwise approved by the Swedish Securities Council. Furthermore, with regard to condition 2(b), the Offer may only be withdrawn provided that the non-satisfaction of such condition is outside Arctic Paper's control.

Arctic Paper reserves the right to waive, in whole or in part, one or several of the conditions set out above, including, with respect to condition 1, to complete the Offer at a lower level of acceptance.

Listing of Arctic Paper

Arctic Paper has initiated preparations and will apply for secondary listing on NASDAQ OMX Stockholm, in addition to its current listing on the Warsaw Stock Exchange. Arctic Paper is expected to be approved for admission to trading on NASDAQ OMX Stockholm well in advance of the settlement of the Offer.

Recommendation of the Board of Directors of Rottneros

The Board of Directors of Rottneros unanimously recommends that Rottneros' shareholders accept the Offer. The Board of Directors of Rottneros has obtained an opinion regarding the financial fairness of the Offer from KPMG. In its opinion, KPMG states that the Offer is fair from a financial point of view.

Nemus Holding's holding in Arctic Paper and Rottneros

Nemus Holding owns 41,479,500 shares in Arctic Paper, corresponding to 74.9 percent of all shares and votes in Arctic Paper, and is thereby the largest shareholder in Arctic Paper.⁹

Furthermore, Nemus Holding owns 30,857,435 shares in Rottneros, corresponding to 20.2 percent of all shares and votes in Rottneros, and is thereby the largest shareholder also in Rottneros.¹⁰ However, Nemus Holding has no board representation in Rottneros and has not been involved in Rottneros' handling or decisions regarding the Offer.

Arctic Paper's holding in Rottneros

Arctic Paper does not currently own or control any shares in Rottneros and has not acquired any shares in Rottneros during the last six months prior to announcement of the Offer. Neither does Arctic Paper hold any financial instruments in Rottneros that provide a financial exposure equivalent to a holding of shares in Rottneros.

Commitments from shareholders in Rottneros¹¹

Nemus Holding, holder of 30,857,435 shares in Rottneros, corresponding to 20.2 percent of all shares and votes in Rottneros, has irrevocably and unconditionally undertaken to accept the Offer.

In addition, Danske Bank A/S and DNB Bank ASA, holders of in aggregate 12,902,546 shares in Rottneros, corresponding to 8.5 percent of all shares and votes in Rottneros, have stated to Arctic Paper that they are positive towards, and intend to accept, the Offer. Such statements do not imply binding commitments to accept the Offer.

Accordingly, shareholders in Rottneros holding in aggregate 43,759,981 shares in Rottneros, corresponding to 28.7 percent of all shares and votes in Rottneros, have undertaken to accept the Offer or stated that they are positive towards, and intend to accept, the Offer.

Extraordinary General Meeting in Arctic Paper

Arctic Paper has decided to convene an extraordinary general meeting to adopt the resolutions necessary for the delivery of shares in Arctic Paper in connection with the Offer¹². The general meeting is expected to be held on or around 3 December 2012. Nemus Holding and Accent Equity¹³, together representing 79.7 percent of the shares and votes in Arctic Paper, have irrevocably and unconditionally undertaken to vote in favor of the resolutions at the general meeting.

⁹ Nemus Holding's shares in Arctic Paper are held through Nemus Holding's wholly-owned subsidiary Trebruk AB.

¹⁰ All calculations of percentage holdings in Rottneros are based on 152,571,925 outstanding shares in Rottneros (i.e. excluding 821,965 own shares held by Rottneros).

¹¹ All calculations of percentage holdings in Rottneros are based on 152,571,925 outstanding shares in Rottneros (i.e. excluding 821,965 own shares held by Rottneros).

¹² Delivery of shares in Arctic Paper to the shareholders in Rottneros, as consideration in the Offer, may, for practical reasons, be made with shares lent from Nemus Holding. In such case, the general meeting in Arctic Paper may resolve to issue the corresponding number of new shares or warrants to subscribe for new shares to Nemus Holding.

¹³ Accent Equity 2003 LP and Accent Equity 2003 KB.

Financing of the Offer

The completion of the Offer is not subject to any financing condition. The Cash Alternative will be financed by Arctic Paper through available funds and existing credit facilities.

Approvals from authorities

As indicated above, the completion of the Offer is conditional upon, *inter alia*, all necessary approvals or similar from competition authorities being obtained. Arctic Paper expects such necessary approvals to be granted prior to the end of the acceptance period.

Furthermore, as indicated above, the completion of the Offer is conditional upon, *inter alia*, that the general meeting resolutions necessary for the delivery of Arctic Paper shares in connection with the Offer are registered by the relevant Polish registry court. In Poland, the registration of such corporate resolutions are made with courts and the registration process is a court proceeding. Based on advice given to Arctic Paper, there is some discretion for the registry courts as to whether registration should be granted or not. Accordingly, although Arctic Paper expects the necessary registrations to be completed prior to the expected time for settlement of the Offer, there is a risk that such registrations are delayed or refused due to circumstances which are outside Arctic Paper's control.

Due Diligence

Arctic Paper has performed a limited due diligence review of confirmatory nature in connection with the preparation of the Offer. Rottneros has informed Arctic Paper that, during this process, no information which has not previously been disclosed, and which could reasonably be expected to affect the price of the shares in Rottneros, has been given to Arctic Paper.

Statement from the Swedish Securities Council in relation to the Offer

The Swedish Securities Council (Sw: *Aktiemarknadsnämnden*) has in its statement 2012:26 approved the terms of the Cash Alternative. The statement (in Swedish) can be found in its entirety at the Swedish Securities Council's website, www.aktiemarknadsnamnden.se.

Information about Arctic Paper S.A.

Arctic Paper S.A. is a Polish joint stock company listed on the Warsaw Stock Exchange. Arctic Paper's registration number (KRS no.) is 0000306944 and its registered office is located in Poznan, Poland, under the address J.H. Dąbrowskiego 334 A, 60406 Poznan, Poland.

The Combined Group in summary

General

The Combined Group will be the second largest European producer of bulky book paper and one of Europe's leading manufacturers of high-quality graphic fine paper and pulp for paper producers. In addition, the Combined Group will remain a significant supplier of market pulp. The Combined Group will have a good balance between pulp production and consumption in the fine paper mills and thus be less volatile than the two companies as stand-alone entities. The Combined Group will have four fine paper mills and two pulp mills. Arctic Paper does not anticipate any material effects of the implementation of the Offer for Rottneros' business or employees, including employment conditions and employment levels at locations where Rottneros currently conducts business.

Business concept and vision

The Combined Group's business concept will be to combine the delivery of fine paper and pulp with state-of-the-art expertise, thereby inspiring and supporting its customers in their business im-

provement processes. The Combined Group and its clients act in a world that requires adaptability. For this reason, the Combined Group will put great emphasis on creating innovative and customized products. The Combined Group's vision is to be a leading and innovative specialist company, spearheading the development in selected niches based on knowledge and expertise.

Goals and strategy

The Combined Group has a number of overall objectives intended to provide competitive returns for shareholders through value growth and direct yield. The ambition is that the Combined Group, over time, will create conditions for decreased earnings volatility over a business cycle by targeting the increasingly specialized fine paper and pulp grades. The Combined Group will offer specialized fine paper and pulp grades and sell the products directly to the customer, in order to create a permanently higher profitability.

Arctic Paper's strategy is to continue to be a fine paper producer and to maintain its leading position as a European book paper supplier. The graphic paper market is mature. Some paper grades, like newsprint and magazine paper, show declining trends. However, the fine paper market is essentially stable. The small decline in Western Europe is offset by increased demand in Central and Eastern Europe – markets where Arctic Paper is already well-known and strong.

Although the market, as a whole, appears to be mature and stable, there are significant underlying trends affecting the customer needs in its sub-segments, including changing printing technology, marketing and advertising trends as well as Arctic Paper's customers' strong desire to differentiate their output regardless whether this concerns books, promotional material, instruction manuals or high quality packaging. The Combined Group's strategy is to actively monitor these changes and deliver attractive and unique products adapted to customer demand. It is, therefore, most natural for Arctic Paper to have a strategy to develop paper for applications that traditionally would be labeled non-graphic, especially packaging grades for the premium technical paper segment. The current and future products delivered from the mills of Rottneros will be used as paper pulp for the abovementioned fine paper product lines and as market pulp.

The Combined Group will continue to develop pulp technology and to continue to be an important producer of pulp to the open market.

The locations of the Arctic Paper mills in Poland and in Germany are beneficial from a labor cost perspective and provide proximity to key markets.

The Combined Group will continue to develop its supply of energy, with the aim to become independent of external energy supply. Future internal energy projects are likely to be based on combined heat and power generation. An important measure will be to maximize the use of renewable energy by the use of hydropower and biomass. In this context, Rottneros' biofuel project represents significant experience and value and should therefore be pursued and evaluated further.

Organization

The Combined Group will operate under the name Arctic Paper and with Arctic Paper S.A. as parent company. The Arctic Paper group as well as the Rottneros group currently consists of a parent holding company with mill subsidiaries. The integrated organization in the Combined Group will continue to operate through mill subsidiaries as well as through other units, of which Arctic Paper's sales and marketing organization is the most comprehensive in terms of staffing.

Arctic Paper's Supervisory Board currently consists of members Olle Grundberg (chairman), Rune Ingvarsson, Thomas Onstad, Fredrik Plyhr, Jan Ohlsson and Mariusz Grendowicz. Rune Ingvarsson, Fredrik Plyhr, Mariusz Grendowicz, and Jan Ohlsson, are independent Supervisory Board members. Arctic Paper intends to promote that two additional independent members of the Supervisory Board, with experience of Swedish industry and capital markets, are proposed in con-

sultation with representatives of Rottneros' shareholders who accept the Offer and elected as soon as practically possible after the completion of the Offer.

Michal Jarczyński will remain CEO of Arctic Paper. The Management Board of Arctic Paper will in addition to Michal Jarczyński consist of Michal Bartkowiak as CFO, Wolfgang Lübbert, Jacek Los and Per Skoglund.

Until the completion of the Offer, Rottneros and Arctic Paper will operate as two independent listed companies with their current boards and management teams, respectively.

A successful integration process is of crucial importance for the achievement of the expected synergies and Arctic Paper expects such process to benefit from the management teams of both companies being fully involved. Arctic Paper's intention is therefore to retain members of Rottneros' current senior management team to benefit from their knowledge and experience. It has so far been decided that the business area managers of Arctic Paper and Rottneros will hold the same positions in the Combined Group and report to the Combined Group management. Furthermore, it has been decided that Tomas Hedström, currently CFO of Rottneros, will be offered the position as Finance Director for the Swedish operations.

Arctic Paper intends to procure that all six members of Rottneros' senior management team are offered to take part in bonus arrangements following, and thus conditional upon, completion of the Offer. The bonus payments are conditional upon the relevant member of Rottneros' senior management actively contributing to the integration of the Combined Group and not terminating his employment prior to 30 June 2013 and 31 December 2013, respectively. In aggregate, the bonus arrangements amount to SEK 1.2 million (PLN 0.58 million). Half of the bonus will be paid after each of 30 June 2013 and 31 December 2013, respectively. The bonus arrangements have been approved by the Board of Directors of Rottneros.

Dividend policy

Arctic Paper has a dividend policy stating that the dividend should be corresponding to between 25 and 50 percent of the Group's consolidated net profit for the relevant year, unless significant investments are required. Through the acquisition of Rottneros the Combined Group is expected to deliver more stable earnings and when synergies are realized increase the dividend capacity.

Shareholder structure

Ownership information below for Rottneros is based on information from Euroclear Sweden per 28 September 2012. Arctic Paper only has reliable information about shareholders who have notified Arctic Paper upon reaching 5.0 percent or more of the shares and votes in Arctic Paper. Nemus Holding has notified Arctic Paper about its holding of 74.9 percent of the shares and votes in Arctic Paper.¹⁴ Arctic Paper has no information about other shareholders holding 5.0 percent or more of the total number of shares and votes in Arctic Paper.

The remaining 25.1 percent of the shares and votes in Arctic Paper is believed to be owned mainly by Polish and international institutional and private investors. However, no single investor is believed to hold 5.0 percent or more as that would have triggered disclosure obligations under Polish rules. Accordingly, there is no reliable information about who these owners are. However, based on published information, it has been possible to establish that Arctic Paper likely has a number of large financial institutions among its owners. In the Polish pension funds disclosure at end of December 2011, the following institutions were indicated as shareholders (with corresponding percentage of capital and votes): ING (3.6 percent), Generali (3.5 percent), Nordea (1.8 percent), Axa (1.0 percent), PZU (0.8 percent), Aegon (0.4 percent), Amplico (0.3 percent) and Pocztynion (0.2 percent). Accordingly, in total 11.7 percent of the shares and votes in Arctic Paper were owned by

¹⁴ Nemus Holding's shares in Arctic Paper are held through Nemus Holding's wholly-owned subsidiary Trebruk AB.

these pension funds at the end of December 2011. Furthermore, Accent Equity has separately informed Arctic Paper that it holds 4.8 percent of the shares and votes in Arctic Paper. Arctic Paper also has Polish private shareholders, including employees such as Arctic Paper's CEO.

Assuming full acceptance of the Offer and that no eligible shareholders in Rottneros choose to accept the Cash Alternative, 28,561,464 new shares in Arctic Paper will be issued in connection with the Offer, corresponding to 34.0 percent of the shares and votes in Arctic Paper after completion of the Offer. Pro forma ownership in Arctic Paper after completion of the Offer is presented below, based on such assumptions.

Shareholder	Shares in Arctic Paper	Shares in Rottneros	Shares in the Combined Group	Percentage of shares/votes in the Combined Group
Nemus Holding AB	41,479,500	30,857,435	47,256,011	56.3%
Accent Equity	2,671,500		2,671,500	3.2%
Skagen Vekst		11,452,911	2,143,984	2.6%
Danske Bank A/S		6,451,273	1,207,678	1.4%
DNB Bank ASA		6,451,273	1,207,678	1.4%
Clearstream Banking SA		5,601,100	1,048,525	1.2%
Robur Försäkring		4,754,414	890,026	1.1%
Aliz Invest AB		4,500,000	842,400	1.0%
JP Morgan Bank		3,802,532	711,833	0.8%
BBVA Ireland P.L.C.		2,323,139	434,891	0.5%
Other current Rottneros shareholders		76,377,848	14,297,938	17.0%
Other current Arctic Paper shareholders	11,252,500		11,252,500	13.4%
Total number of outstanding shares	55,403,500	152,571,925	83,964,964	100.0%

Combined Group financial information

The below unaudited financial information relates to information taken from each company's financial reporting and differences in accounting policies may occur. The financial information is only an aggregation of this financial information for the various businesses for the relevant time periods in order to provide an illustration of the Combined Group's sales and earnings under the assumption that the activities were included in the same group from the beginning of each period.

The aggregation should not be viewed as pro forma since adjustments have not been made for the effects of future acquisitions analyses, differences in accounting policies and transaction costs. The information set out below does not necessarily reflect the results or the financial position that Rottneros and Arctic Paper together would have had if they had conducted their operations as a group during the same periods. For instance, expected synergies have not been taken into account. Nor can this information be viewed to give an indication of the Combined Group's future earnings. The intention is that Arctic Paper will report consolidated accounts for the Combined Group at the earliest from December 2012.

Rottneros EBITDA and EBIT have been adjusted for write-downs and one-off costs in 2011. The effect of the adjustment is an increase of the results of SEK 95 million (PLN 43 million) and SEK 148 million (PLN 67 million). SEK 53 million (PLN 24 million) relates to the write-down of receivables at Rottneros Miranda SA, SEK 19 million (PLN 9 million) to the write-down of capitalized costs relating to finding new use of the CTMP line from Utansjö, SEK 65 million (PLN 30 million) to write-downs at Rottneros mill and SEK 11 million (PLN 5 million) relates to restructuring costs at Rottneros mill.¹⁵

Arctic Paper EBIT and Net profit have been adjusted for impairment write-downs in 2011. The effect of the adjustment is an increase of the results of SEK 24 million (PLN 11 million).

¹⁵ Based on the average daily exchange rate published by the Swedish Central Bank during the relevant period.

(SEK million)	Arctic Paper ¹	Rottneros ²	Adjustments ⁴	The Combined Group
Full year 2011				
Sales revenue	5,552	1,513	-120	6,946
EBITDA	311	98		409
EBIT	31	31		62
Net profit	51	4		55
Net debt	709	26		735
Equity	1,484	1,014		2,498
<i>EBITDA margin %</i>	<i>5.6%</i>	<i>6.5%</i>		<i>5.9%</i>
Net debt/EBITDA	2.3	0.3		1.8
Earnings per share	0.92	0.02		0.64
January-September 2012				
Sales revenue	4,124	1,108	-67	5,165
EBITDA	278	45		323
EBIT	86	5		91
Net profit	34	-3		31
Net debt	660	35		695
Equity	1,406	1,004		2,410
<i>EBITDA margin %</i>	<i>6.7%</i>	<i>4.1%</i>		<i>6.2%</i>
Net debt/EBITDA ³	1.8	0.6		1.6
Earnings per share	0.61	-0.02		0.36

¹ Arctic Paper's EBIT and Net profit have been adjusted for write-downs in 2011. The effect is SEK 24 million on both levels.

² Rottneros' EBITDA and EBIT have been adjusted for write-downs and one-off costs in 2011. The effect is SEK 95 million and SEK 148 million on respective level.

³ EBITDA annualized by multiplying EBITDA for January-September 2012 by 4/3.

⁴ Elimination of intra-group transactions.

Purchase price allocation

Due to the fact that Rottneros is acquired at a price that is lower than Rottneros' book value of equity the combination may result in a significant gain on a bargain purchase. This gain is initially estimated to be SEK 653 million (PLN 315 million). After completion of the transaction, a closer analysis of fair value of acquired net assets will be carried out together with independent valuers, for the purpose of the final allocation of the purchase price. This may result in recognition of assets or liabilities not recognized in the books of Rottneros or write downs of some other assets that may affect the final gain on a bargain purchase.

Preliminary timetable¹⁶

21 November 2012	Offer document is published
22 November 2012	First day of acceptance period
12 December 2012	Last day of acceptance period

¹⁶ All dates are preliminary and may be subject to change.

20 December 2012

Settlement and first day of trading of the Arctic Paper share on
NASDAQ OMX Stockholm

Arctic Paper reserves the right to extend the acceptance period as well as to defer the date of settlement.

Compulsory acquisition proceedings and delisting

In the event that Arctic Paper, in connection with the Offer or otherwise, becomes the owner of more than 90 percent of the outstanding shares in Rottneros, Arctic Paper intends to call for compulsory acquisition in accordance with the Swedish Companies Act to acquire all outstanding shares and warrants in Rottneros. In connection therewith, Arctic Paper intends to promote a delisting of the shares in Rottneros from NASDAQ OMX Stockholm.

Advisors

Nordfirst Corporate Finance is acting as financial advisor to Arctic Paper. Roschier Advokatbyrå (with respect to Swedish law) and K&L Gates (with respect to Polish law) are acting as legal advisors to Arctic Paper.

Applicable law and disputes

The Offer, as well as the agreements entered into between Arctic Paper and the shareholders in Rottneros as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be exclusively settled by Swedish courts, and the City Court of Stockholm shall be the court of first instance.

NASDAQ OMX Stockholm's Rules Regarding Takeover Offers (1 July 2012) (the "Takeover Rules") and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee, are applicable to the Offer. Furthermore, Arctic Paper has, in accordance with the Swedish Act on Public Takeovers on the Stock Market, on 2 November 2012 contractually undertaken towards NASDAQ OMX Stockholm to fully comply with said rules and statements and to submit to any sanctions that can be imposed by NASDAQ OMX Stockholm in event of breach of the Takeover Rules. Arctic Paper has on 7 November 2012 informed the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) about the Offer and the above mentioned undertakings towards NASDAQ OMX Stockholm.

Poznan, 7 November 2012

Arctic Paper S.A.

The Management Board

For additional information, please contact:

Michal Bartkowiak, CFO, tel. +48 667 652 110

This information was submitted for publication on 7 November 2012 at 08:00 CET.

All information relating to the Offer is available at:

www.arcticpaper.com

IMPORTANT INFORMATION

The Offer pursuant to the terms and conditions presented in this press release is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This announcement includes forward-looking statements about Arctic Paper, Rottneros and the Combined Group. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Arctic Paper cautions you that forward-looking statements are not guarantees of future performance and the group's actual results of operations, financial condition and liquidity, and the development of the industry in which the Combined Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. These forward-looking statements speak only as at the date of this announcement. Arctic Paper does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise, and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Arctic Paper's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

This press release and any related offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Arctic Paper. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the internet) in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. Accordingly, this press release and any related offer documentation are not being and should not be mailed or otherwise distributed, forwarded or sent in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

Arctic Paper will not deliver any consideration from the Offer into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States must not forward this press release or any other document received in connection with the Offer to such persons.

The shares in Arctic Paper have not been, and will not be registered under the United States Securities Act 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless such registration under the Securities Act is made, or an exemption from such registration is available.