

Interim Report January-September 2007

MSEK	Quarter			January-September		Full year
	3-07	2-07	3-06	2007	2006	2006
Net turnover	4 637	4 662	4 521	14 086	13 762	18 592
Operating profit	642	529	610	1 804	1 714	2 303
Profit after tax	438	329	382	1 164	1 090	1 459
Earnings per share, SEK	5.2	3.9	4.5	13.7	12.9	17.2
Return on equity, %	10.6	8.2	9.5	9.5	9.0	9.0

- The Group's net turnover for January-September 2007 amounted to MSEK 14 086 (January-September 2006: 13 762).
- Profit after tax was MSEK 1 164 (1 090).
- Earnings per share amounted to SEK 13.7 (12.9). Return on equity was 9.5% (9.0).
- The operating profit was MSEK 1 804 (1 714). The result was favourably affected by higher newsprint prices, while it was adversely affected by higher costs of wood and recovered paper, extensive maintenance and rebuilding stops and lower deliveries.

The operating profit for the third quarter amounted to MSEK 642, which was MSEK 113 higher than for the second quarter. The profit includes MSEK 105 on the sale of shares. Moreover, the result was adversely affected by costs and loss of production associated with a stop for rebuilding at the board mill in Iggesund.

- The market situation for newsprint in Europe has been affected by lower demand and higher imports. Holmen Paper's deliveries were 1% lower than in January-September 2006. The prices of Holmen Paper's products were on average some 3% higher than during the corresponding period last year.

The market situation for virgin fibre board in Europe was firm during the third quarter. Demand for Iggesund Paperboard's products remained good but deliveries decreased by 4% in relation to January-September 2006 owing to the stop for rebuilding. Price increases have had some impact during the third quarter.

- Holmen's Board has decided to invest in a sawmill adjacent to the Braviken paper mill in Norrköping.

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Holmen Paper MSEK	Quarter			January-September		Full year
	3-07	2-07	3-06	2007	2006	2006
Net turnover	2 556	2 461	2 547	7 547	7 486	10 140
Operating costs	-2 088	-2 117	-2 078	-6 343	-6 149	-8 472
Depreciation according to plan	-227	-229	-224	-687	-678	-913
Operating profit	241	115	245	516	659	754
Capital expenditure	117	180	90	471	403	686
Operating capital	11 762	11 711	11 912	11 762	11 912	11 541
Operating margin, %	9	5	10	7	9	7
Return on operating capital, %	8	4	8	6	7	6
Production, 1 000 tonnes	499	498	519	1 512	1 530	2 044
Deliveries, 1 000 tonnes	503	477	505	1 469	1 488	2 021

The market situation for newsprint in Europe has been affected by lower demand and higher imports. Deliveries of standard newsprint to Europe declined by 1% in relation to January-September 2006. At the same time the share of European consumption held by imports from North America rose from 3% to 6%. Demand for SC paper in Europe grew by 4% and for coated printing paper by 4%.

Holmen Paper's deliveries declined by 1% in relation to January-September 2006. Owing to the market situation it was not possible to utilise production capacity to the full. The prices of Holmen Paper's products were on average some 3% higher than during the corresponding period last year.

Holmen Paper's operating profit for January-September was MSEK 516 (659). Despite higher newsprint prices in Europe, the result declined as a consequence of higher prices of wood, recovered paper and pulp, as well as costs associated with stops for maintenance and rebuilding. A weak US dollar and low prices resulted in a deterioration in the profitability of sales to non-European markets.

In relation to the second quarter, the result increased by MSEK 126 to MSEK 241. In the third quarter, personnel and maintenance costs were seasonally lower, whereas the second quarter result was affected by an extensive stop for maintenance at the Hallsta mill.

Iggesund Paperboard MSEK	Quarter			January-September		Full year
	3-07	2-07	3-06	2007	2006	2006
Net turnover	1 239	1 297	1 294	3 862	3 924	5 240
Operating costs	-1 037	-1 033	-995	-3 101	-3 115	-4 133
Depreciation according to plan	-88	-86	-89	-263	-266	-356
Operating profit	115	178	210	499	543	752
Capital expenditure	209	120	40	430	221	351
Operating capital	4 149	4 088	3 973	4 149	3 973	3 935
Operating margin, %	9	14	16	13	14	14
Return on operating capital, %	11	17	21	16	18	19
Production, paperboard, 1 000 tonnes	116	135	143	386	408	542
Deliveries, paperboard, 1 000 tonnes	125	130	136	389	404	536

The market situation for virgin fibre board in Europe remained firm during the third quarter. Deliveries from European producers to Europe were 6 % higher than in January-September 2006, mainly owing to strong growth in Eastern Europe. Capacity utilisation was high.

Demand for Iggesund Paperboard's products remained good, but deliveries decreased by 4% in relation to January-September 2006 owing to the stop for rebuilding at the mill in Iggesund.

Iggesund Paperboard's operating profit for January-September was MSEK 499 (543). The change is due to higher costs and lower deliveries as a consequence of the stop for rebuilding.

The result declined by MSEK 63 to MSEK 115 in relation to the second quarter. The decline is mainly due to the stop for rebuilding, while personnel costs were seasonally low. Price increases have had some impact during the third quarter.

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Holmen Timber MSEK	Quarter			January-September	Full year	
	3-07	2-07	3-06	2007	2006	2006
Net turnover	124	164	105	438	337	465
Operating costs	-84	-116	-82	-311	-265	-361
Depreciation according to plan	-6	-6	-6	-17	-18	-24
Operating profit	35	43	17	109	53	80
Capital expenditure	10	9	2	24	4	5
Operating capital	236	219	198	236	198	208
Operating margin, %	28	26	16	25	15	17
Return on operating capital, %	61	79	33	67	33	38
Production, 1 000 m ³	57	72	48	200	181	247
Deliveries, 1 000 m ³	53	74	55	198	183	248

The market situation for sawn timber, which has been very strong during the past year, weakened slightly during the third quarter.

Holmen Timber's operating profit for January-September was MSEK 109 (53). The improvement in the result is due to higher prices and increased deliveries. At the same time raw material costs rose.

In relation to the second quarter the result declined by MSEK 8 to MSEK 35. A normal production stop in July and higher timber costs had an adverse effect on the result. However, this was to some extent offset by higher prices.

Holmen Skog MSEK	Quarter			January-September	Full year	
	3-07	2-07	3-06	2007	2006	2006
Net turnover	1 074	1 200	880	3 440	2 974	4 042
Operating costs	-932	-1 070	-774	-3 018	-2 618	-3 485
Depreciation according to plan	-6	-6	-7	-19	-20	-28
Earnings from operations	135	124	99	402	336	528
Change in value of forests	10	85	57	107	99	115
Operating profit	145	209	156	509	435	643
Capital expenditure	5	4	3	16	18	29
Operating capital	9 126	9 097	8 961	9 126	8 961	9 001
Return on operating capital, %	6	9	7	8	7	7
Harvesting company forests, 1 000 m ³	642	672	655	1 847	1 852	2 618

Holmen Skog's operating profit for January-September was MSEK 509 (435). Earnings from operations increased by MSEK 66 to MSEK 402 as a consequence of higher wood prices. Biological assets (forests) are valued at fair value. The change in value, i.e. the increase in the value of the forests less harvesting during the period, was MSEK 107 (99). This change in value includes a revaluation of some MSEK 70, which was for the most part carried out in

the second quarter, as a consequence of higher wood prices.

In relation to the second quarter, the result declined by MSEK 64 to MSEK 145, which is mainly explained by the revaluation of the company's forests in the second quarter.

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Holmen Energi MSEK	Quarter			January-September	Full year
	3-07	2-07	3-06	2007	2006
Net turnover	352	344	395	1 128	1 246
Operating costs	-307	-295	-401	-916	-1 123
Depreciation according to plan	-4	-4	-4	-13	-13
Operating profit	40	45	-10	199	110
Capital expenditure	3	2	1	7	1
Operating capital	2 947	2 940	2 943	2 947	2 943
Return on operating capital, %	5	6	-1	9	5
Production of hydro power, GWh	249	272	110	917	635
					934

Holmen Energi's operating profit for January–September was MSEK 199 (110). As a consequence of ample supply of water, the production was some 15% higher than is normal for the period.

In relation to the second quarter the result declined by MSEK 5 to MSEK 40.

Group Central and other

During the third quarter the holding of shares in Norrköpings Hamn och Stuveri AB was sold to the Municipality of Norrköping. Capital gains on the divestment amounted to MSEK 105, which was taken into the accounts at Group level in the third quarter. Payment was received after the end of the reporting period.

Net financial items and financing

Net financial costs for January-September 2007 were MSEK 196 (cost 186). The increase is due to higher market interest rates.

The cash flow from current operations amounted to MSEK 1 660 and the cash flow absorbed by investment activities was MSEK 937. During the year a dividend of MSEK 1 017 has been paid out.

Since the beginning of the year the Group's financial net debt has increased by MSEK 392 and was MSEK 6 377 on 30 September 2007. The debt/equity ratio was 0.38. The equity ratio was 51%.

Financial liabilities amounted to MSEK 6 938, of which MSEK 4 147 was short term. Liquid funds and financial receivables amounted to MSEK 562. The Group has unutilised long-term committed credit facilities of some MSEK 5 550.

Tax

The Group's tax charge for January-September amounted to MSEK 444 (charge 437), which corresponds to 28% of the pre-tax profit. The tax rate has been affected by the fact that the profit on the sale of shares in Norrköpings Hamn och Stuveri AB is not liable to taxation.

Hedging of exchange rates and electricity prices

The result of currency hedges was a profit of MSEK 47 (profit 23), which is stated in the operating result. For the remainder of 2007 the main part of the Group's currency flows has been hedged. For 2008 around 90% of the Group's estimated flows in Euro and 15% in sterling have been hedged at average rates of 9.25 and 13.34 respectively. For 2009 some 30% of the flows in Euro have been hedged at an average rate of 9.37.

The price of the Group's estimated net consumption of electricity in Sweden has been hedged in full for the remainder of 2007. For the 2008-2012 period the prices of 85-95% of the net consumption have been hedged and for the 2013-2015 period some 70%.

Capital expenditure

The Group's capital expenditure during January-September amounted to MSEK 950 (648). Depreciation according to plan amounted to MSEK 1 000 (1 002).

Employees

The average number of employees in the Group was 4 956 (4 996).

Share buy-back

At the AGM held on 28 March 2007 Holmen's shareholders renewed the mandate for the Board to make decisions to buy back up to 10% of the company's shares. This mandate has not been exercised.

Significant risks and uncertainty factors

The Group's and parent company's significant risks and uncertainty factors relate primarily to changes in the prices of its products and important input goods, and to changes in exchange rates. Apart from the risks described on pages 29-30 and in Note 30 in Holmen's Annual Report for 2006, it is assessed that no significant risks have emerged.

New sawmill

Holmen's Board has decided to invest in a sawmill adjacent to the Braviken paper mill in Norrköping. The investment involves a sawmill with the highest possible productivity and cost efficiency. The integration of the sawmill with the paper mill is expected to generate valuable synergies in wood procurement and infrastructure, as well as possibilities for effective energy solutions. The sawmill will have the capacity to produce 750,000 cubic metres of whitewood sawn timber a year. Production start is planned for the autumn of 2009. It is estimated that the investment cost will amount to approximately SEK 1.1 billion.

Stockholm, 26 October 2007
Holmen AB (publ)

Magnus Hall
President and CEO

Year-end report for 2007 will be published on 6 February 2008.

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Review Report

Introduction

We have reviewed Holmen AB's interim report as per September 30, 2007 and the nine-month reporting period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to

obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 26 October 2007

KPMG Bohlins AB

Thomas Thiel
Authorised Public Accountant

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Accounting principles

The interim report for the Group is made up in accordance with IAS 34 Interim Reporting and the Annual Accounts Act and for the parent company it is made up in accordance with the Annual Accounts Act. The Parent company's and the Group's accounting principles used in the report are unchanged in relation to the latest published annual report. The figures in tables are rounded.

The Group

Income statement, MSEK	Quarter			January-September		Full year 2006
	3-07	2-07	3-06	2007	2006	
Net turnover	4 637	4 662	4 521	14 086	13 762	18 592
Other operating income	220	95	132	450	390	501
Change in value of biological assets	10	85	57	107	99	115
Change in inventory of finished products and work in progress	-24	63	82	159	164	91
Capitalised work on own account	0	0	0	0	5	5
Raw materials, goods for resale and consumables	-2 413	-2 479	-2 418	-7 504	-7 316	-9 666
Personnel costs	-601	-700	-583	-1 965	-1 904	-2 538
Other operating costs	-858	-866	-852	-2 534	-2 498	-3 462
Depreciation according to plan	-332	-332	-330	-1 000	-1 002	-1 346
Interest in earnings of associated companies	3	1	0	4	13	11
Operating profit	642	529	610	1 804	1 714	2 303
Financial income	5	4	3	12	9	15
Financial costs	-73	-69	-69	-208	-195	-262
Profit before tax	573	464	543	1 608	1 527	2 056
Tax	-135	-135	-162	-444	-437	-597
Profit for the period	438	329	382	1 164	1 090	1 459
Earnings per share, SEK	5.2	3.9	4.5	13.7	12.9	17.2
Average number of shares (million)	84.8	84.8	84.8	84.8	84.8	84.8
Operating margin, %	13.8	11.3	13.5	12.8	12.4	12.3
Return on capital employed, %	11.2	9.2	10.6	10.5	9.9	10.0
Return on equity, %	10.6	8.2	9.5	9.5	9.0	9.0

Earnings per share before and after dilution are the same since there are no outstanding warrants or convertibles that can cause dilution.

Account of stated income and costs, MSEK	January-September		Full year 2006
	2007	2006	
Income and costs stated direct in equity			
Cash flow hedges			
Revaluation of derivatives stated in equity	-34	166	306
Brought forward from equity to the income statement	-41	-67	-142
Brought forward from equity to fixed assets	1	-	1
Actuarial revaluation of pension liability	7	2	47
Translation difference on foreign operation	-84	-19	-88
Hedge of currency risk in foreign operation	74	17	53
Tax attributable to items stated direct in equity	-9	-33	-75
Total stated direct in equity	-86	66	102
Profit for the period stated in the income statement	1 164	1 090	1 459
Total stated income and costs	1 078	1 156	1 561

Other change in equity

Effect on equity due to change of accounting principle as per 2006-01-01	-	-72	-72
Dividend paid to the parent company's shareholders	-1 017	-932	-932

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The Group

Balance sheet, MSEK	2007 30 Sept	2006 31 Dec
ASSETS		
Fixed assets		
Intangible fixed assets	610	627
Tangible fixed assets	13 805	13 782
Biological assets	8 927	8 830
Shares in associated companies	1 737	1 731
Other shares and participations	12	11
Long-term financial receivables	108	110
Other long-term receivables	11	19
Deferred tax receivables	328	354
Total fixed assets	25 537	25 464
Current assets		
Inventories	2 915	2 606
Short-term operating receivables	3 616	3 531
Short-term financial receivables	36	55
Liquid funds	417	484
Total current assets	6 984	6 676
Total assets	32 521	32 141
EQUITY AND LIABILITIES		
Equity	16 697	16 636
Long-term liabilities		
Long-term financial liabilities	2 482	2 503
Deferred tax liabilities	5 085	5 030
Pension provisions	309	356
Other provisions	656	626
Total long-term liabilities	8 532	8 515
Short-term liabilities		
Short-term financial liabilities	4 147	3 775
Operating liabilities	3 146	3 215
Total short-term liabilities	7 293	6 990
Total liabilities	15 825	15 505
Total equity and liabilities	32 521	32 141
Debt/equity ratio	0.38	0.36
Equity ratio, %	51.3	51.8
Operating capital	27 831	27 297
Capital employed	23 073	22 621
Financial net debt	6 377	5 985
Pledged assets	92	93
Contingent liabilities	905	941

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The Group

Cash flow analysis, MSEK	January-September 2007	Full year 2006
Current operations		
Profit before tax	1 608	1 527
Adjustments for items not included in cash flow*	812	898
Paid income tax	-343	-537
Cash flow from current operations before changes in working capital	2 077	1 888
Cash flow from changes in working capital		
Change in inventories	-308	-37
Change in operating receivables	-101	-407
Change in operating liabilities	-9	-82
Cash flow from current operations	1 660	1 362
Investment activities		
Acquisition of fixed assets	-950	-648
Sale of fixed assets	12	106
Cash flow from investment activities	-937	-542
Financing activities		
Change in financial liabilities and receivables	229	37
Dividend paid to the parent company's shareholders	-1 017	-932
Cash flow from financing activities	-788	-895
Cash flow for the period	-66	-75
Opening liquid funds	484	580
Currency difference in liquid funds	-1	-4
Closing liquid funds	417	501

* The adjustments consist primarily of depreciation according to plan, change in value of biological assets, currency effects and revaluations of financial instruments as well as capital gains/losses on sales of fixed assets.

Change in financial net debt, MSEK	January-September 2007	Full year 2006
Opening financial net debt	-5 985	-6 639
Cash flow		
Current operations	1 660	1 362
Investment activities	-937	-542
Dividend paid	-1 017	-932
Actuarial revaluation of pension provision	7	2
Currency effects and changes in fair value	-103	50
Closing financial net debt	-6 377	-6 699

Share structure		Number of shares	Number of votes
Share	Votes		
A	10	22 623 234	226 232 340
B	1	<u>62 132 928</u>	<u>62 132 928</u>
Total number of shares		84 756 162	288 365 268

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Parent company

Income statement, MSEK	Quarter			January-September	Full year
	3-07	2-07	3-06	2007	2006
Operating income	3 575	3 532	3 452	10 778	10 684
Operating costs	-3 198	-3 180	-3 014	-9 665	-9 483
Operating profit	377	353	437	1 113	1 201
Net financial items*	86	62	- 29	90	- 54
Profit after net financial items	463	415	408	1 203	1 148
Appropriations	-128	-145	-137	-416	-405
Profit before tax	335	270	271	788	743
Tax	-71	-69	-78	-196	-217
Profit for the period	265	201	193	592	526
					769

* Net financial items includes result from hedging equity in foreign subsidiaries. In the Group, this result is stated directly against equity.

Balance sheet, MSEK	2007	2006
	30 Sept	31 Dec
Fixed assets	22 238	17 268
Current assets	5 797	9 306
Total assets	28 035	26 574
Equity	11 627	11 697
Untaxed reserves	3 014	2 599
Provisions	920	935
Liabilities	12 475	11 343
Total equity and liabilities	28 035	26 574
Pledged assets	6	6
Contingent liabilities	846	858

During January-September 2007 Holmen AB converted short-term internal loans to Group companies into equity, as a result of which fixed assets increased by MSEK 4 138 and current assets declined by the same amount.

Holmen AB's investments in fixed assets (excluding shares) amounted to MSEK 17 (17) for January-September 2007.

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The Group

Quarterly figures, MSEK	2007			2006				
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year
Income statement								
Net turnover	4 637	4 662	4 787	4 830	4 521	4 661	4 579	18 592
Operating costs	-3 666	-3 802	-3 818	-3 894	-3 582	-3 843	-3 634	-14 954
Depreciation according to plan	-332	-332	-336	-344	-330	-336	-336	-1 346
Interest in earnings of associated companies	3	1	1	-3	0	3	10	11
Operating profit	642	529	634	590	610	485	619	2 303
Net financial items	-68	-65	-62	-60	-66	-63	-57	-247
Profit before tax	573	464	571	529	543	422	562	2 056
Tax	-135	-135	-174	-160	-162	-119	-156	-597
Profit for the period	438	329	397	369	382	303	406	1 459
Earnings per share, SEK	5.2	3.9	4.7	4.4	4.5	3.6	4.8	17.2
Net turnover								
Holmen Paper	2 556	2 461	2 530	2 654	2 547	2 576	2 364	10 140
Iggesund Paperboard	1 239	1 297	1 326	1 316	1 294	1 291	1 339	5 240
Holmen Timber	124	164	149	129	105	119	112	465
Holmen Skog	1 074	1 200	1 165	1 067	880	1 019	1 076	4 042
Holmen Energi	352	344	433	445	395	360	491	1 691
Intra-group sales	-708	-804	-815	-781	-699	-704	-803	-2 986
Group	4 637	4 662	4 787	4 830	4 521	4 661	4 579	18 592
Operating profit								
Holmen Paper	241	115	160	95	245	185	229	754
Iggesund Paperboard	115	178	206	209	210	157	176	752
Holmen Timber	35	43	32	27	17	20	16	80
Holmen Skog	145	209	155	208	156	128	151	643
Holmen Energi	40	45	114	87	-10	33	87	197
Group central costs and other	66	-61	-34	-37	-8	-38	-40	-123
Group	642	529	634	590	610	485	619	2 303
Operating margin, %								
Holmen Paper	9.4	4.7	6.3	3.7	9.6	7.1	9.2	7.3
Iggesund Paperboard	9.3	13.7	15.6	15.9	16.2	12.1	13.1	14.3
Holmen Timber	27.5	25.8	20.8	20.8	16.0	16.0	14.2	16.9
Group	13.8	11.3	13.2	12.3	13.5	10.3	13.3	12.3
Return on operating capital, %								
Holmen Paper	8.2	3.9	5.5	3.3	8.1	6.1	7.7	6.3
Iggesund Paperboard	11.1	17.4	20.6	21.1	21.0	15.5	17.6	18.8
Holmen Timber	61.4	79.3	59.6	53.1	33.2	37.0	29.3	37.9
Holmen Skog	6.4	9.2	6.9	9.3	7.0	5.8	6.8	7.2
Holmen Energi	5.4	6.1	15.5	11.8	-1.4	4.5	11.7	6.7
Group	9.3	7.7	9.4	8.6	8.7	6.9	8.9	8.3
Key figures								
Return on capital employed, %	11.2	9.2	11.1	10.4	10.6	8.3	10.8	10.0
Return on equity, %	10.6	8.2	9.7	9.0	9.5	7.5	10.0	9.0
Deliveries								
Newsprint and magazine paper, 1 000 tonnes	503	477	489	533	505	511	472	2 021
Paperboard, 1 000 tonnes	125	130	134	132	136	131	137	536
Sawn timber, 1 000 m ³	53	74	72	65	55	66	62	248

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The Group

Full year review, MSEK	2006	2005	2004	2003	2002	2001
Income statement						
Net turnover	18 592	16 319	15 653	15 816	16 081	16 655
Operating costs	-14 954	-13 205	-12 570	-12 306	-12 205	-12 460
Depreciation according to plan	-1 346	-1 167	-1 156	-1 166	-1 153	-1 126
Interest in earnings of associated companies	11	20	25	-6	-10	-3
Items affecting comparability	-	-	-	-	-	-620
Operating profit	2 303	1 967	1 952	2 338	2 713	2 446
Net financial items	-247	-233	-206	-212	-149	-152
Profit before tax	2 056	1 734	1 746	2 126	2 564	2 294
Tax	-597	-478	-471	-675	-605	-108
Profit for the year	1 459	1 256	1 275	1 451	1 959	2 186
Operating profit by business area						
Holmen Paper	754	631	487	747	1 664	2 410
Iggesund Paperboard	752	626	809	1 001	818	455
Holmen Timber	80	13	5	18	-6	-79
Holmen Skog	643	537	586	516	450	455
Holmen Energi	197	301	178	193	-26	49
Group central costs	-123	-141	-113	-137	-187	-224
Items affecting comparability	-	-	-	-	-	-620
Group	2 303	1 967	1 952	2 338	2 713	2 446
Balance sheet						
Fixed assets	25 354	25 793	23 381	20 940	21 357	19 150
Current assets	6 138	5 709	5 149	4 743	4 922	5 366
Financial receivables	649	712	459	675	688	432
Total assets	32 141	32 214	28 989	26 358	26 967	24 948
Equity	16 636	16 007	15 635	15 366	15 185	14 072
Deferred tax liability	5 030	5 143	5 177	4 557	4 370	4 014
Financial liabilities	6 634	7 351	5 335	4 044	4 496	3 593
Operating liabilities	3 841	3 713	2 842	2 391	2 916	3 269
Total equity and liabilities	32 141	32 214	28 989	26 358	26 967	24 948
Cash flow						
Current operations	2 358	2 471	2 331	2 443	3 498	3 786
Investment activities	-947	-3 029	-1 195	-726	-1 810	-1 669
Cash flow after capital expenditure	1 411	-558	1 136	1 717	1 688	2 117
Key ratios						
Return on capital employed, %	10	9	10	12	16	18
Return on equity, %	9	8	8	10	14	16
Debt/equity ratio	0.36	0.41	0.31	0.22	0.25	0.22
Earnings per share, SEK	17.2	14.8	15.1	17.5	23.6	26.4
Ordinary dividend, SEK	12	11	10	10	11	10
Extra dividend, SEK	-	-	-	30	-	-

Reported in accordance with IFRS from 2004.

Interim Report January-September 2007

Holmen in brief

Holmen is a forest products industry group with the capacity to produce 2.7 million tonnes of paper and paperboard per year. Europe, which accounts for some 90% of the Group's turnover, is by far the largest market.

The business area Holmen Paper produces paper for the printing of daily newspapers, magazines, directories and advertising matter at three Swedish mills and one Spanish mill. Iggesund Paperboard produces board for packaging and graphic purposes at one Swedish and one English mill. Holmen Timber produces sawn timber at one Swedish sawmill. Holmen Skog manages the Group's one million hectares of forests and the annual volume harvested in company forests is some 2.5 million cubic metres. Holmen's annual wood consumption is some 4.9 million cubic metres. Holmen Energi produces in a normal year some 1 100 GWh of electric power at wholly and partly owned hydro power stations in Sweden. Over and above this back pressure power of some 550 GWh is generated at the mills. Holmen's annual power consumption is around 5 100 GWh.

Press and analysts conference and teleconference

In connection with the publication of the interim report for January-September 2007 a press and analysts conference will be held at 14.30 hrs CEST on Friday 26 October in Strindbergssalen, Berns Conference Centre, Berzelii Park, Stockholm. The conference can also be accessed via Holmen's website www.holmen.com and/or by telephone, in which case the call should be placed by no later than 14.25 hrs CET on +46 (0)8 505 201 10 (Sweden) or +44 (0)20 7162 0025 (rest of Europe).

A teleconference will be held in English at 16.30 hrs CEST. It can be accessed via Holmen's website www.holmen.com and/or by telephone on +44 (0) 20 7162 0025 (Europe) or +1 334 323 6201 (US). The call should be placed by no later than 16.25 hrs CEST.

Financial reports and Annual General Meeting in 2008

6 February	Year-end Report for 2007
2 April	Annual General Meeting
7 May	Interim Report, January–March
13 August	Interim Report, January–June
12 November	Interim Report, January–September

In its capacity as issuer, Holmen AB is releasing the information in this interim report for January-September 2007 in accordance with Chapter 9 a § 3 of the Swedish (1992:543) Securities Exchange and Clearing Operations Act. The information was distributed to the media for publication at 12.35 hrs CEST on Friday 26 October 2007.