

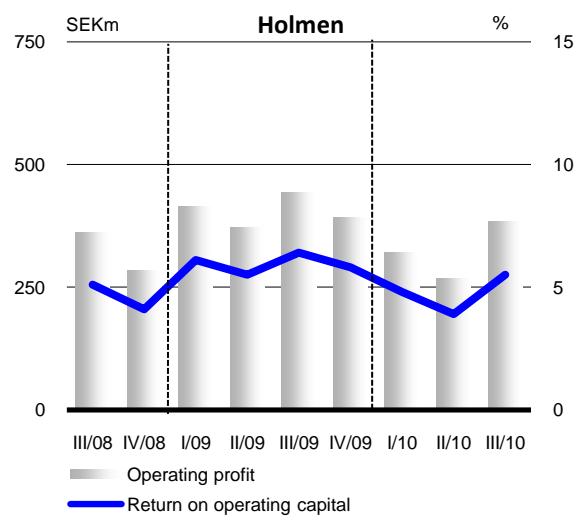
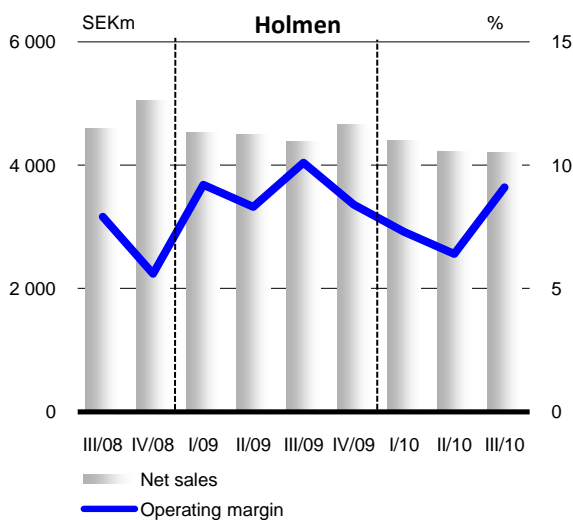
Interim report January-September 2010

SEKm	3-10	Quarter 2-10	3-09	January-September 2010	January-September 2009	Full year 2009
Net turnover	4 205	4 227	4 387	12 833	13 412	18 071
Operating profit	383	268	442	971	1 229	1 620
Profit after tax	216	133	280	528	781	1 006
Earnings per share, SEK	2.6	1.6	3.3	6.3	9.3	12.0
Return on equity, %	5.2	3.2	7.0	4.3	6.7	6.4

- Profit after tax for January–September 2010 was SEK 528 million (January–September 2009: SEK 781 million).
- Earnings per share reached SEK 6.3 (9.3). Return on equity totalled 4.3 per cent (6.7).
- Operating profit amounted to SEK 971 million (1 229). Holmen Paper's operating profit deteriorated considerably as a result of lower newsprint prices and higher fibre costs. Profitability in the Group's other business areas improved.

From the second to the third quarter, operating profit climbed by SEK 115 million to SEK 383 million. The improvement is explained by seasonally lower staff and maintenance costs and higher paperboard production.

- Demand for newsprint in Europe remained weak in the third quarter. The virgin fibre board market was robust and deliveries to Europe rose by 10 per cent during the first nine months of the year compared to the same period in 2009.



Holmen Paper		Quarter		January-September	Full year
SEKm	3-10	2-10	3-09	2010	2009
Net sales	1 982	1 955	2 348	5 919	6 993
Operating costs	-1 901	-1 911	-2 024	-5 756	-5 958
Depreciation and amortisation according to plan	-210	-214	-217	-640	-661
Operating profit	-129	-170	107	-477	374
Investments	80	69	114	165	197
Operating capital	7 909	8 116	9 170	7 909	9 170
Operating margin, %	-7	-9	5	-8	5
Return on operating capital, %	-6	-8	5	-8	5
Production, '000 tonnes	413	431	431	1 260	1 278
Deliveries, '000 tonnes	425	420	455	1 266	1 289

Demand for newsprint in Europe remained weak in the third quarter. Deliveries were 1 per cent higher in January–September compared to the low level in the same period in 2009. Imports from North America to Europe fell, while European exports to Asia rose. Prices in Europe are significantly lower than in 2009.

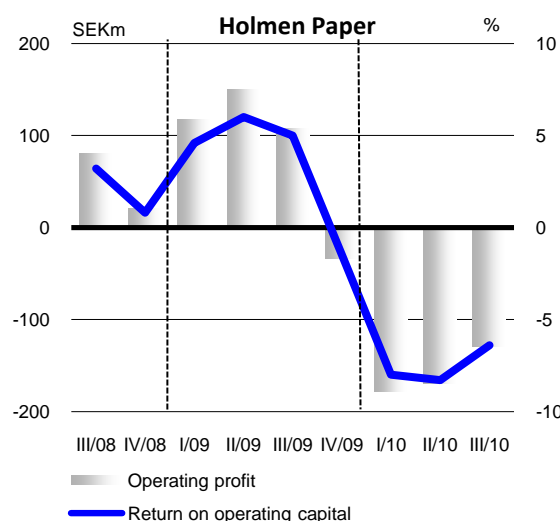
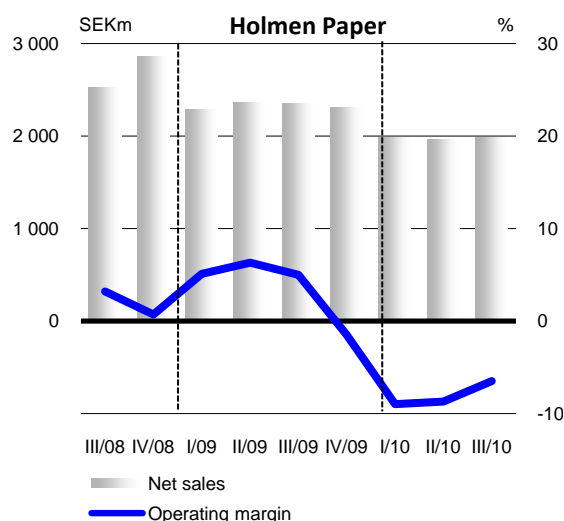
Demand for MF Magazine in Europe was 17 per cent higher in January–September than in the same period last year. Demand for SC paper fell by 3 per cent but rose by 10 per cent for coated printing paper.

Holmen Paper's deliveries were down 2 per cent to 1 266 000 tonnes, compared to January–September 2009. Deliveries of MF Magazine and book paper rose, while deliveries of newsprint outside Europe fell. Compared to the second quarter, deliveries increased somewhat.

Holmen Paper had an operating loss of SEK 477 million (profit of 374). The deterioration is mainly due to lower selling prices. Higher prices for recovered paper and pulp also had an adverse impact.

Compared to the second quarter, the operating loss declined by SEK 41 million to SEK -129 million, resulting from seasonally lower staff and maintenance costs. Higher wood prices negatively affected the result. Production curtailments continued due to a shortage of recovered paper.

Staff cuts in Madrid affecting 29 employees were announced on 14 October. This reduction is part of an extensive review of costs at the mill and also encompasses investigation into possible alternative uses for the smaller of the two paper machines. Negotiations about reducing the number of jobs at Hallsta by 150 are in progress. No provision for costs relating to these staff cuts has yet been made.



Iggesund Paperboard		Quarter		January-September	Full year
SEKm	3-10	2-10	3-09	2010	2009
Net sales	1 225	1 139	1 223	3 558	3 763
Operating costs	-898	-874	-1 008	-2 730	-3 217
Depreciation and amortisation according to plan	-84	-84	-86	-241	-268
Operating profit	243	180	128	587	279
Investments	65	164	54	257	185
Operating capital	4 141	4 259	4 143	4 141	4 143
Operating margin, %	20	16	11	17	7
Return on operating capital, %	23	17	12	19	10
Production, paperboard, '000 tonnes	126	107	118	346	352
Deliveries, paperboard, '000 tonnes	118	110	118	343	354

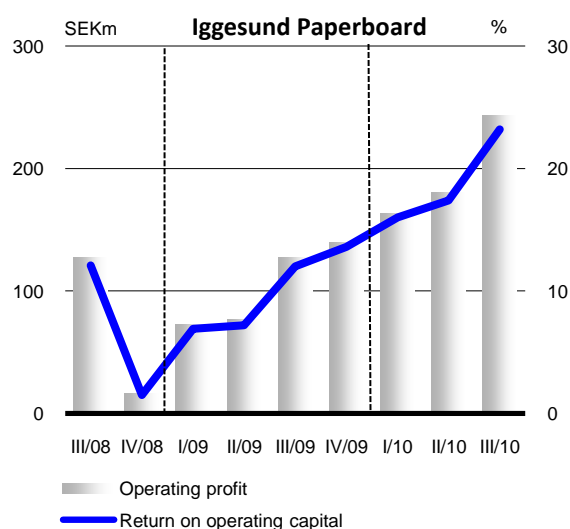
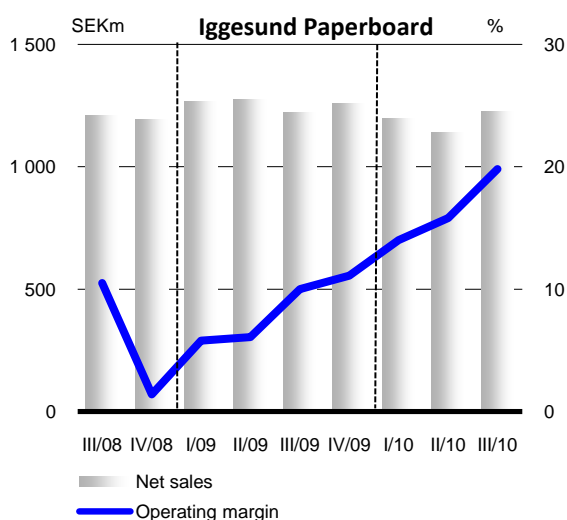
The market for virgin fibre board was strong in the third quarter. Deliveries from European producers to Europe were 10 per cent higher in the first nine months of the year compared to the same period in 2009. Prices were increased during the year for solid bleached board and folding boxboard.

Iggesund Paperboard's deliveries in January–September totalled 343 000 tonnes, which was somewhat lower than in the same period in 2009. The strike at Iggesund Mill in the second quarter and the shutdown of a board machine (BM 1) at Workington Mill in December 2009 had a negative

effect on deliveries. Compared to the second quarter, deliveries increased.

Iggesund Paperboard's operating profit reached SEK 587 million (279). An improved product mix, higher prices and high productivity boosted the result. Staff and maintenance costs dropped after board machine BM1 was shut down in Workington.

Compared to the second quarter, operating profit rose by SEK 63 million to SEK 243 million. Production was high, and staff and maintenance costs were seasonally low.



Holmen Timber		Quarter		January-September	Full year
SEKm	3-10	2-10	3-09	2010	2009
Net sales	162	150	142	439	399
Operating costs	-146	-131	-120	-391	-372
Depreciation and amortisation according to plan	-7	-7	-8	-22	-24
Operating profit	8	11	13	27	2
Investments	212	224	40	552	41
Operating capital	972	759	324	972	324
Operating margin, %	5	8	10	6	1
Return on operating capital, %	4	7	17	5	1
Production, '000 m ³	70	77	75	214	215
Deliveries, '000 m ³	77	71	76	211	236

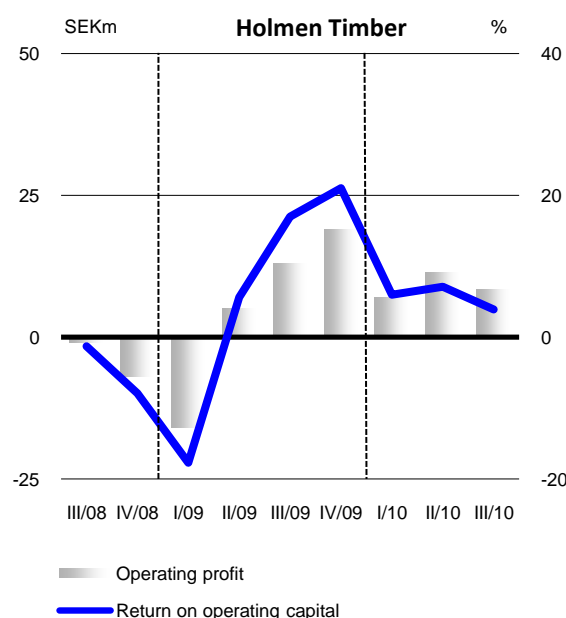
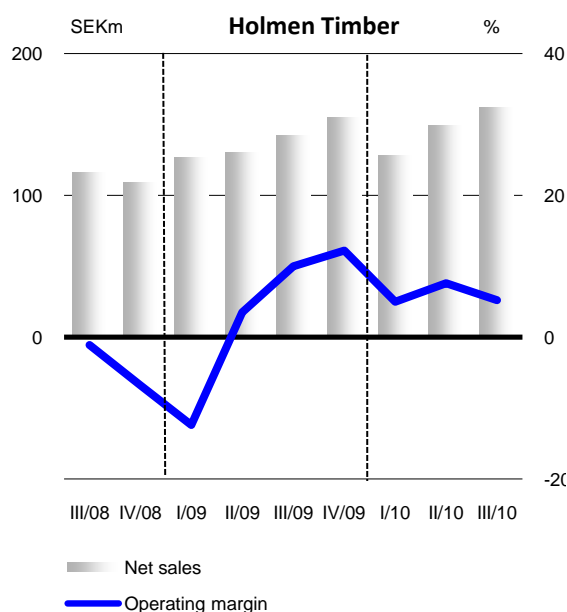
There is uncertainty in the market for sawn timber and demand is weaker than usual. Selling prices were largely unchanged in the third quarter, but considerably higher than in 2009.

Holmen Timber's deliveries in the January–September period totalled 211 000 cubic metres, 11 per cent lower than in the corresponding period last year. After a weak start to the year, partly due to the harsh winter, deliveries rose to a high level in the third quarter.

Holmen Timber's operating profit reached SEK 27 million (2). The improvement is attributable to higher selling prices, although higher raw material prices adversely affected the result.

Compared with the second quarter, operating profit was down by SEK 3 million to SEK 8 million. Higher timber prices had an adverse impact on the result. Staff costs were seasonally low. The figure for the third quarter includes costs of SEK 7 million (8) for Braviken Sawmill.

The construction of Braviken Sawmill near Norrköping is proceeding according to plan. Production is scheduled to start at the turn of 2010/2011.



Holmen Skog		Quarter		January-September	Full year
SEKm	3-10	2-10	3-09	2010	2009
Net sales	1 281	1 441	1 048	4 130	3 493
Operating costs	-1 110	-1 222	-926	-3 546	-3 101
Depreciation and amortisation according to plan	-6	-6	-6	-18	-18
Earnings from operations	165	213	116	566	374
Change in value of forests	47	1	31	49	51
Operating profit	212	214	147	615	425
Investments	7	-3	4	5	15
Operating capital	11 511	11 410	11 437	11 511	11 437
Return on operating capital, %	7	8	5	7	5
Harvesting company forests, '000 m ³	711	882	704	2 236	2 037

Demand for both timber and pulpwood remained strong. Timber prices climbed during the quarter, while pulpwood prices were unchanged.

Holmen Skog's operating profit was high as a result of rising wood prices and amounted to SEK 615 million (425). Earnings from operations (profit before changes in the value of forests) totalled SEK 566 million, which is SEK 192 million higher than

during the corresponding period in 2009. The increase is the result of greater harvesting and higher prices.

Compared to the second quarter, earnings from operations fell by SEK 48 million to SEK 165 million. The change is mainly due to seasonally lower harvesting.

Holmen Energi		Quarter		January-September	Full year
SEKm	3-10	2-10	3-09	2010	2009
Net sales	419	408	363	1 376	1 164
Operating costs	-317	-313	-286	-992	-874
Depreciation and amortisation according to plan	-5	-5	-5	-16	-14
Operating profit	96	90	72	368	276
Investments	10	8	15	27	69
Operating capital	3 223	3 207	3 175	3 223	3 175
Return on operating capital, %	12	11	9	15	12
Production of hydro power, GWh	268	255	229	846	735

Operating profit for Holmen Energi amounted to SEK 368 million (276). The improvement stems from larger volumes and higher prices. Production was 15 per cent higher than in the same period last year and 7 per cent higher than in a normal year.

Compared to the second quarter, operating profit rose by SEK 6 million to SEK 96 million. Production was up 5 per cent and was well above normal production for the time of year.

The levels in Holmen's water storage reservoirs were somewhat below normal at the end of the quarter.

Net financial items and financing

Net financial items for January–September amounted to SEK -161 million (-195). Net debt was lower, while the borrowing cost was higher at 3.8 per cent (3.4).

Cash flow from operating activities totalled SEK 860 million. The cash flow includes SEK -611 million regarding a tax dispute (see below). Cash flow from investing activities was SEK -994 million. A dividend of SEK 588 million has been paid to shareholders.

Since the turn of the year, the Group's net financial debt has increased by SEK 272 million to SEK 5 955 million. The debt/equity ratio was 0.36. The equity/assets ratio was 51 per cent.

Financial liabilities including pension provisions totalled SEK 6 366 million, SEK 2 399 million of which comprised current liabilities. Cash, cash equivalents and financial receivables totalled SEK 411 million. The Group has unutilised long-term contractually agreed credit facilities of SEK 7 358 million.

Equity

In January–September, the Group's equity increased by SEK 267 million to SEK 16 771 million. Profit for the period reached SEK 528 million, and the dividend paid was SEK 588 million. In addition, other comprehensive income totalled SEK 327 million in January–September. This is mainly attributable to the fact that the strengthened Swedish krona had a positive effect on the fair value of outstanding currency hedges.

Tax

Recognised tax for January–September was SEK -282 million. This tax corresponded to 35 per cent of profit before tax, which is higher than normal. This was due to the negative result reported by the Spanish operation.

MoDo Capital AB, a Holmen subsidiary, has appealed against the judgment that the Stockholm County Administrative Court issued in January 2010 regarding depreciation deduction. Holmen has already made provision for any costs and the judgment has not therefore affected profit, although it did result in a tax payment of SEK 611 million that affected cash flow.

Hedging exchange rates and electricity prices

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–September includes currency hedges of SEK 107 million (-314). At the end of the quarter, the Group's estimated net flows in euro for 2010 were fully hedged at an exchange rate of SEK 9.7, for 2011 about 75 per cent were hedged at SEK 10.6, and for 2012 about 20 per cent at SEK 10.5. Four months' estimated flows in dollars were hedged at an exchange rate of SEK 7.4. The fair value of currency hedges not yet recognised in the income statement amounted to

SEK 674 million at the end of the quarter.

For the 2011–2012 period, 90 per cent of the price of the Group's estimated net consumption of electricity in Sweden has been hedged, while approximately 80 per cent has been hedged for the 2013–2015 period.

Investments

Cash flow from investing activities was SEK -994 million (-509) in the January–September period. Scheduled depreciation and amortisation totalled SEK 939 million (987). The majority of the investments were in the new sawmill at Braviken and in a new soda recovery boiler and turbine at Iggesund Mill.

Employees

The average number of employees (full-time equivalents) in the Group was 4 281 (4 638). The reduction was attributable to staff cuts at Holmen Paper and to shutting down board machine BM 1 at Workington Mill.

Share buy-backs

At the 2010 AGM, the Board had its authorisation renewed to make decisions on buying back up to 10 per cent of all the company's shares. No buy-backs have taken place during the year. The company already owns 0.9 per cent of the shares to secure the company's commitments pursuant to the call option scheme for employees.

Significant risks and uncertainties

The Group's and the parent company's significant risks and uncertainties relate primarily to changes in demand and the prices of its products, the cost of important input goods, and to changes in exchange rates. For a more detailed description of material risks and uncertainties, see pages 47–48 and Note 27 in Holmen's annual report for 2009.

Related party transactions

There were no transactions between Holmen and related parties that had a significant effect on the company's financial position and performance.

Stockholm, 26 October 2010
Holmen AB (publ)

Magnus Hall
President and CEO

The report has not been reviewed by the company's auditors.

Year-end report for 2010 will be published on 2 February 2011.

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Review Report

Introduction

We have reviewed the condensed interim financial information (interim report) for the Holmen Group at 30 September 2010 and the nine-month reporting period ending at 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 Swedish 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 of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing standards. 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 could have been 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 was not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 26 October 2010

KPMG AB

George Pettersson
Authorised Public Accountant

Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. For the Parent company the interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with Recommendation RFR 2.3 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The parent company's and the Group's accounting policies used in the report are unchanged from the latest published annual report. The figures in tables are rounded off.

The Group

Income statement, SEKm	Quarter			January-September		Full year
	3-10	2-10	3-09	2010	2009	
Net sales	4 205	4 227	4 387	12 833	13 412	18 071
Other operating income	121	273	128	584	412	600
Change in inventories	24	31	-127	54	-218	-381
Raw materials and consumables	-2 298	-2 383	-2 163	-7 147	-6 750	-9 017
Staff costs	-568	-663	-614	-1 855	-1 963	-2 662
Other operating costs	-842	-908	-891	-2 632	-2 764	-3 709
Depreciation and amortisation according to plan	-314	-318	-322	-939	-987	-1 320
Impairment losses	-	-	-	-	-	-22
Change in value of biological assets	47	1	31	49	51	16
Interest in earnings of associates	7	8	13	24	35	45
Operating profit	383	268	442	971	1 229	1 620
Finance income	2	2	2	6	8	12
Finance costs	-56	-56	-57	-167	-203	-267
Profit before tax	329	214	386	810	1 034	1 366
Tax	-113	-81	-106	-282	-253	-360
Profit for the period	216	133	280	528	781	1 006
Earnings per share, basic, SEK	2.6	1.6	3.3	6.3	9.3	12.0
Earnings per share, diluted, SEK	2.6	1.6	3.3	6.3	9.3	12.0
Operating margin, %	9.1	6.4	10.1	7.6	9.2	9.0
Return on capital employed, %	6.7	4.8	7.8	5.8	7.2	7.2
Return on equity, %	5.2	3.2	7.0	4.3	6.7	6.4

Statement of comprehensive income, SEKm	Quarter			January-September		Full year
	3-10	2-10	3-09	2010	2009	
Profit for the period	216	133	280	528	781	1 006
Other comprehensive income						
Cash flow hedging	161	84	683	688	927	910
Actuarial gains and losses in respect of pensions, incl. special employer's contribution	82	-52	43	97	23	15
Translation difference on foreign operation	-280	10	-438	-569	-314	-256
Hedging of currency risk in foreign operation	151	26	305	432	293	254
Tax attributable to other comprehensive income	-105	-14	-272	-322	-327	-310
Total other comprehensive income	10	54	322	327	603	613
Total comprehensive income	226	187	602	855	1 384	1 619

The Group

Balance sheet, SEKm	2010 30 September	2010 30 June	2009 31 December
Non-current assets			
Intangible non-current assets	21	20	27
Property, plant and equipment	12 297	12 451	12 473
Biological assets	11 160	11 130	11 109
Interests in associates	1 776	1 775	1 770
Other shares and participating interests	12	12	10
Non-current financial receivables	156	157	151
Deferred tax assets	225	265	304
Total non-current assets	25 646	25 811	25 845
Current assets			
Inventories	3 060	2 858	2 850
Trade receivables	2 461	2 443	2 712
Current tax receivable	3	9	22
Other operating receivables	1 154	1 048	490
Current financial receivables	146	93	74
Cash and cash equivalents	109	110	182
Total current assets	6 934	6 562	6 331
Total assets	32 580	32 373	32 176
Equity	16 771	16 545	16 504
Non-current liabilities			
Non-current financial liabilities	3 773	3 615	3 472
Pension provisions	193	300	320
Other provisions *	545	539	1 102
Deferred tax liabilities	5 542	5 372	5 045
Total non-current liabilities	10 054	9 827	9 939
Current liabilities			
Current financial liabilities	2 399	2 729	2 298
Trade payables	2 127	2 002	1 911
Current tax liability	53	31	102
Provisions	188	197	274
Other operating liabilities	987	1 042	1 149
Total current liabilities	5 755	6 001	5 733
Total liabilities	15 809	15 828	15 672
Total equity and liabilities	32 580	32 373	32 176
Debt/equity ratio, times	0.36	0.38	0.34
Equity/assets ratio, %	51.5	51.1	51.3
Operating capital	28 044	27 936	26 929
Capital employed	22 726	22 829	22 188
Net financial debt	5 955	6 284	5 683
Pledged collateral	17	18	21
Contingent liabilities	142	140	140

* Payment of tax related to ongoing tax litigation has from 31 December 2009 reduced Other provisions by SEK 611 million.

The Group

Change in equity, SEKm	January-September	
	2010	2009
Opening equity	16 504	15 641
Profit for the period	528	781
Other comprehensive income	327	603
Dividends paid	-588	-756
Closing equity	16 771	16 270

Share structure					
Share	Votes	No. of shares	No. of votes	Quota value	SEKm
A	10	22 623 234	226 232 340	50	1 131.2
B	1	62 132 928	62 132 928	50	3 106.6
Total number of shares		84 756 162	288 365 268		4 237.8
Holding of own B shares bought back		-760 000	-760 000		
Total number of shares in issue		83 996 162	287 605 268		
Issued call options, B shares (exercise period 2013)		758 300			

The Group

Cash flow analysis, SEKm	Quarter 3-10	Quarter 2-10	Quarter 3-09	January-September 2010	January-September 2009	Full year 2009
Operating activities						
Profit before tax	329	214	386	810	1 034	1 366
Adjustments for non-cash items *	285	306	397	816	854	1 163
Paid income taxes **	10	-111	-123	-693	-204	-334
Cash flow from operating activities before changes in working capital	624	408	661	933	1 685	2 195
Cash flow from changes in working capital						
Change in inventories	-256	-122	216	-254	506	621
Change in trade receivables and other operating receivables	-23	-186	52	-44	390	445
Change in trade payables and other operating liabilities	192	102	-70	225	-536	-389
Cash flow from operating activities	537	202	859	860	2 045	2 873
Investing activities						
Acquisition of non-current assets	-373	-495	-164	-1 061	-467	-759
Disposal of non-current assets	8	34	12	80	38	45
Change in non-current financial receivables	0	0	-80	-13	-80	-104
Cash flow from investing activities	-366	-461	-232	-994	-509	-818
Financing activities						
Change in financial liabilities and current financial receivables	-169	863	-702	657	-1 039	-1 766
Dividends paid to the shareholders of the parent company	0	-588	-	-588	-756	-756
Cash flow from financing activities	-169	275	-702	69	-1 795	-2 522
Cash flow for the period	3	16	-75	-66	-259	-467
Opening cash and cash equivalents	110	94	470	182	653	653
Exchange difference in cash and cash equivalents	-4	-1	-5	-8	-5	-4
Closing cash and cash equivalents	109	110	390	109	390	182

Change in net financial debt, SEKm	Quarter 3-10	Quarter 2-10	Quarter 3-09	January-September 2010	January-September 2009	Full year 2009
Opening net financial debt	-6 284	-5 437	-7 270	-5 683	-7 504	-7 504
Cash flow from operating activities	537	202	859	860	2 045	2 873
Cash flow from investing activities (excl financial receivables)	-366	-461	-152	-981	-429	-714
Dividends paid	0	-588	0	-588	-756	-756
Actuarial revaluation of pension liability	81	-52	41	96	21	13
Foreign exchange effects and changes in fair value	76	51	234	341	336	405
Closing net financial debt	-5 955	-6 284	-6 287	-5 955	-6 287	-5 683

* The adjustments consist primarily of depreciation according to plan and write-downs of fixed assets, change in value of biological assets, change in provisions, interests in earnings of associated companies, currency effects and revaluations of financial instruments as well as capital gains/losses on sale of fixed assets.

** Paid income taxes 2010 includes SEK -611million related to ongoing tax litigation.

The Parent Company

Income statement, SEKm	3-10	Quarter 2-10	3-09	January-September 2010	January-September 2009	Full year 2009
Operating income	3 355	3 480	3 342	10 227	10 231	13 884
Operating costs	-3 132	-3 331	-3 103	-9 801	-9 624	-13 022
Operating profit	223	149	239	426	607	861
Net financial items	106	- 26	381	281	1 185	746
Profit after net financial items	329	123	620	707	1 792	1 607
Appropriations	-21	88	-85	-67	-64	388
Profit before tax	308	211	534	640	1 728	1 995
Tax	-82	-57	-112	-174	-157	-331
Profit for the period	226	154	423	466	1 571	1 664

Statement of comprehensive income, SEKm	3-10	Quarter 2-10	3-09	January-September 2010	January-September 2009	Full year 2009
Profit for the period	226	154	423	466	1 571	1 664
Other comprehensive income						
Cash flow hedging	167	135	564	723	782	919
Tax attributable to other comprehensive income	-44	-36	-148	-190	-206	-242
Total other comprehensive income	123	100	416	533	576	677
Total comprehensive income	349	253	839	999	2 148	2 341

Balance sheet, SEKm	2010 30 Sept	2010 31 June	2009 31 December
Non-current assets	19 311	19 009	19 645
Current assets	5 484	5 055	4 675
Total assets	24 794	24 065	24 320
Restricted equity	5 915	5 915	5 915
Non-restricted equity	4 880	4 706	4 776
Untaxed reserves	2 430	2 409	2 363
Provisions	1 359	1 336	1 185
Liabilities	10 210	9 700	10 081
Total equity and liabilities	24 794	24 065	24 320
Pledged collateral	6	6	6
Contingent liabilities	582	642	688

Sales to Group companies accounted for SEK 99 million (72) of operating income for January–September.

Net financial items include the result from hedging equity in foreign subsidiaries totalling SEK 432 million (293). The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 18 million (24) for January–September.

The Group

Quarterly figures, SEKm	2010			2009				January-September		Full year
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	
Income statement										
Net sales	4 205	4 227	4 400	4 659	4 387	4 496	4 529	12 833	13 412	18 071
Operating costs	-3 516	-3 650	-3 782	-3 943	-3 636	-3 806	-3 789	-10 948	-11 232	-15 175
Depreciation and amortisation according to plan	-314	-318	-308	-334	-322	-333	-332	-939	-987	-1 320
Interest in earnings of associates	7	8	9	10	13	15	7	24	35	45
Operating profit	383	268	320	392	442	372	415	971	1 229	1 620
Net financial items	-54	-55	-52	-60	-55	-66	-74	-161	-195	-255
Profit before tax	329	214	268	332	386	306	341	810	1 034	1 366
Tax	-113	-81	-89	-107	-106	-51	-96	-282	-253	-360
Profit for the period	216	133	178	225	280	256	245	528	781	1 006
Diluted earnings per share, SEK	2.6	1.6	2.1	2.7	3.3	3.0	2.9	6.3	9.3	12.0
Net sales										
Holmen Paper	1 982	1 955	1 982	2 310	2 348	2 361	2 284	5 919	6 993	9 303
Iggesund Paperboard	1 225	1 139	1 195	1 260	1 223	1 274	1 266	3 558	3 763	5 023
Holmen Timber	162	150	128	155	142	130	127	439	399	553
Holmen Skog	1 281	1 441	1 408	1 306	1 048	1 163	1 283	4 130	3 493	4 799
Holmen Energi	419	408	549	465	363	359	442	1 376	1 164	1 628
Elimination of intra-group net sales	-863	-864	-862	-837	-737	-791	-872	-2 589	-2 400	-3 236
Group	4 205	4 227	4 400	4 659	4 387	4 496	4 529	12 833	13 412	18 071
Operating profit/loss										
Holmen Paper	-129	-170	-178	-34	107	150	117	-477	374	340
Iggesund Paperboard	243	180	163	140	128	77	73	587	279	419
Holmen Timber	8	11	7	19	13	5	-16	27	2	21
Holmen Skog	212	214	189	179	147	144	134	615	425	605
Holmen Energi	96	90	182	138	72	59	144	368	276	414
Group-wide costs	-45	-46	-45	-50	-43	-51	-47	-136	-141	-191
Elimination of internal operating profit/loss	-3	-11	2	0	16	-11	9	-12	14	13
Group	383	268	320	392	442	372	415	971	1 229	1 620
Operating margin, %										
Holmen Paper	-6.5	-8.7	-9.0	-1.5	4.6	6.3	5.1	-8.1	5.4	3.7
Iggesund Paperboard	19.8	15.8	13.7	11.1	10.5	6.1	5.8	16.5	7.4	8.3
Holmen Timber	5.2	7.6	5.3	12.2	9.5	3.5	-12.4	6.1	0.6	3.8
Group	9.1	6.4	7.3	8.4	10.1	8.3	9.2	7.6	9.2	9.0
Return on operating capital, %										
Holmen Paper	-6.4	-8.3	-8.4	-1.5	4.5	6.0	4.6	-7.7	5.1	3.5
Iggesund Paperboard	23.1	17.4	16.1	13.6	12.1	7.2	6.9	18.9	8.7	9.9
Holmen Timber	3.9	7.1	5.9	21.0	16.7	5.6	-17.7	5.4	0.9	6.2
Holmen Skog	7.4	7.5	6.6	6.3	5.1	5.0	4.7	7.2	5.0	5.3
Holmen Energi	12.0	11.2	22.6	17.3	9.1	7.7	19.1	15.3	11.9	13.3
Group	5.5	3.9	4.8	5.8	6.4	5.5	6.1	4.7	6.0	5.9
Key indicators										
Return on capital employed, %	6.7	4.8	5.8	7.0	7.8	6.6	7.3	5.8	7.2	7.2
Return on equity, %	5.2	3.2	4.3	5.5	7.0	6.6	6.4	4.3	6.7	6.4
Deliveries										
New sprint and magazine paper, '000 tonnes	425	420	421	456	455	437	397	1 266	1 289	1 745
Paperboard, '000 tonnes	118	110	115	123	118	119	117	343	354	477
Sawn timber, '000 m³	77	71	62	76	76	80	81	211	236	313
Harvesting company forests, '000 m³	711	882	643	859	704	753	580	2 236	2 037	2 897
Production of hydro power, GWh	268	255	323	355	229	203	304	846	735	1 090

The Group

Full year review, SEKm	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Income statement										
Net sales	18 071	19 334	19 159	18 592	16 319	15 653	15 816	16 081	16 655	15 155
Operating costs	-15 175	-16 630	-15 548	-14 954	-13 205	-12 570	-12 306	-12 205	-12 460	-11 843
Depreciation and amortisation according to plan	-1 320	-1 343	-1 337	-1 346	-1 167	-1 156	-1 166	-1 153	-1 126	-1 045
Interest in earnings of associates	45	50	12	11	20	25	-6	-10	-3	552
Items affecting comparability *	-	-361	557	-	-	-	-	-	-620	2 023
Operating profit	1 620	1 051	2 843	2 303	1 967	1 952	2 338	2 713	2 446	4 842
Net financial items	-255	-311	-261	-247	-233	-206	-212	-149	-152	-101
Profit before tax	1 366	740	2 582	2 056	1 734	1 746	2 126	2 564	2 294	4 741
Tax	-360	-98	-1 077	-597	-478	-471	-675	-605	-108	-769
Profit for the year	1 006	642	1 505	1 459	1 256	1 275	1 451	1 959	2 186	3 972
Diluted earnings per share, SEK	12.0	7.6	17.8	17.2	14.8	15.1	17.5	23.6	26.4	44.7
Operating profit by business area										
Holmen Paper	340	280	623	754	631	487	747	1 664	2 410	1 389
Iggesund Paperboard	419	320	599	752	626	809	1 001	818	455	569
Holmen Timber	21	13	146	80	13	5	18	-6	-79	-116
Holmen Skog	605	632	702	643	537	586	516	450	455	466
Holmen Energi	414	327	272	197	301	178	193	-26	49	99
Group-wide costs and eliminations	-178	-159	-56	-123	-141	-113	-137	-187	-224	-112
Items affecting comparability *	-	-361	557	-	-	-	-	-	-620	2 023
Transferred operations	-	-	-	-	-	-	-	-	-	524
Group	1 620	1 051	2 843	2 303	1 967	1 952	2 338	2 713	2 446	4 842
Balance sheet										
Non-current assets	25 694	26 506	26 153	25 354	25 793	23 381	20 940	21 357	19 150	18 955
Current assets	6 075	7 268	6 549	6 138	5 709	5 149	4 743	4 922	5 366	5 330
Financial receivables	407	828	541	649	712	459	675	688	432	2 015
Total assets	32 176	34 602	33 243	32 141	32 214	28 989	26 358	26 967	24 948	26 300
Equity	16 504	15 641	16 932	16 636	16 007	15 635	15 366	15 185	14 072	17 014
Deferred tax liability	5 045	4 819	5 482	5 030	5 143	5 177	4 557	4 370	4 014	4 264
Financial liabilities and interest-bearing provisions	6 091	8 332	6 518	6 634	7 351	5 335	4 044	4 496	3 593	1 721
Operating liabilities	4 536	5 809	4 310	3 841	3 713	2 842	2 391	2 916	3 269	3 301
Total equity and liabilities	32 176	34 602	33 243	32 141	32 214	28 989	26 358	26 967	24 948	26 300
Cash flow										
Operating activities	2 873	1 660	2 476	2 358	2 471	2 331	2 443	3 498	3 786	1 925
Investing activities	-818	-1 124	-1 315	-947	-3 029	-1 195	-726	-1 810	-1 669	-2 019
Cash flow after investments	2 054	536	1 161	1 411	-558	1 136	1 717	1 688	2 117	-94
Key indicators										
Return on capital employed, % **	7	6	10	10	9	10	12	16	18	15
Return on equity, %	6	4	9	9	8	8	10	14	16	24
Debt/equity ratio	0.34	0.48	0.35	0.36	0.41	0.31	0.22	0.25	0.22	-0.02
Dividend										
Ordinary dividend, SEK	7	9	12	12	11	10	10	11	10	9
Extra dividend, SEK	-	-	-	-	-	-	30	-	-	60

* Items affecting comparability in 2008 of cost SEK 361 million relate to provisions and costs due to restructure and closure of mills and result effects from fire.

Items affecting comparability in 2007 relate to a write-down of goodwill and tangible fixed assets of SEK -1 603 million within Holmen Paper, a reversed write-down of SEK 60 million within Holmen Timber, and a positive revaluation of forests by SEK 2 100 million within Holmen Skog.

** Excl. items affecting comparability.

Stated in accordance with IFRS from 2004. As far as Holmen is concerned, the principal difference between IFRS and previous accounting principles is that forest assets are valued and stated in the accounts at fair value, that goodwill is no longer depreciated according to plan, and that the fair value of financial assets and liabilities that are hedged are taken into the balance sheet.

Holmen in brief

Holmen's business concept is to develop and run profitable business within three product-oriented business areas for printing paper, paperboard and sawn timber as well as two raw material-oriented business areas for forest and energy. Europe is the key market.

The business area **Holmen Paper** manufactures printing paper for daily newspapers, magazines, directories, advertising material and books at two Swedish mills and one Spanish mill. **Iggesund Paperboard** produces paperboard for packaging and graphic purposes at one Swedish and one English mill. **Holmen Timber** produces sawn timber in one Swedish sawmill and are also constructing a new sawmill in Sweden which will be taken into production in the turn of 2010/2011. Annual production capacity is 1 940 000 tonnes of printing paper, 530 000 tonnes of paperboard and 340 000 cubic metres of sawn timber. The new sawmill will initially have a yearly capacity of 550 000 cubic metres.

Holmen Skog manages the Group's forest covering just over one million hectares. The annual volume harvested in company forests is some 2.5 million cubic metres. **Holmen Energi** is responsible for the Group's hydro power assets and for developing the Group's business within the energy sector. Normal yearly production amounts to some 1 100 GWh of electric power at wholly and partly owned hydro power stations in Sweden. Holmen Skog and Holmen Energi are also responsible for the Group's wood and electricity supply in Sweden.

Press and analyst conference

On the publication of the interim report, a press and analyst conference will be held at 14.30 CET on Tuesday October 26. **Venue: IVA Konferenscenter, Grev Turegatan 16, Stockholm.** Holmen President and CEO Magnus Hall will present and comment on the report. The presentation will be held in English.

The conference is also directly available as a webcast on Holmen's website, www.holmen.com. You may also participate in the conference by telephone, by calling +46 (0)8 505 598 53 (within Sweden), +44 (0)203 043 24 36 (from the rest of Europe) or +1 866 458 40 87 (from the US) no later than 14.25 CET.

Financial reports in 2010

2 February 2011	Year-end report 2010
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Financial reports in 2011

6 May 2011	Interim report January-March
17 August 2011	Interim report January-June
26 October 2011	Interim report January-September

In its capacity as issuer, Holmen AB is releasing the information in this Interim report for January-June 2010 in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 12.15 CET on Tuesday 26 October 2010.