HOLMEN

Interim report January-June 2010

SEKm	Quarter 2-10	1-10	2-09	January-June 2010	2009	Full year 2009
Net turnover	**4 227**	4 400	4 496	**8 628**	9 025	18 071
Operating profit	**268**	320	372	**588**	787	1 620
Profit after tax	**133**	178	256	**312**	501	1 006
Earnings per share, SEK	**1.6**	2.1	3.0	**3.7**	6.0	12.0
Return on equity, %	**3.2**	4.3	6.6	**3.8**	6.5	6.4

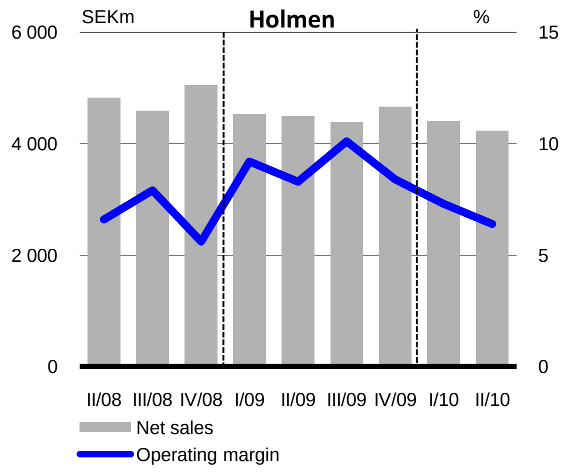
- Profit after tax for January–June 2010 was SEK 312 million (January–June 2009: SEK 501 million).

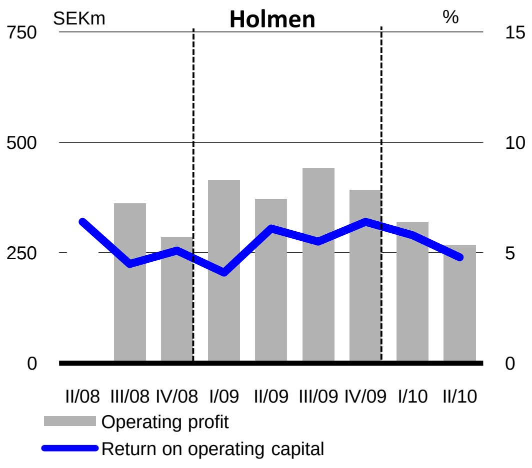
- Earnings per share reached SEK 3.7 (6.0). Return on equity totalled 3.8 per cent (6.5).

- Operating profit amounted to SEK 588 million (787). Holmen Paper's profit deteriorated considerably as a result of lower newsprint prices. Profitability in the Group's other business areas improved.

  In the second quarter of 2010 operating profit amounted to SEK 268 million, which was SEK 52 million lower than during the first quarter. The decrease is due to seasonally lower results for Holmen Energi.

- Demand for newsprint in Europe remained weak in the second quarter. The virgin fibre board market was robust and deliveries from European producers to Europe rose by 11 per cent during the first six months of the year compared to the same period in 2009.





Holmen Paper	Quarter			January-June		Full year
SEKm	**2-10**	1-10	2-09	**2010**	2009	2009
Net sales	**1 955**	1 982	2 361	**3 937**	4 645	9 303
Operating costs	**-1 911**	-1 945	-1 990	**-3 856**	-3 934	-8 084
Depreciation and amortisation according to plan	**-214**	-215	-221	**-429**	-444	-878
Operating profit	**-170**	-178	150	**-348**	267	340
Investments	**69**	17	44	**86**	83	287
Operating capital	**8 116**	8 223	9 778	**8 116**	9 778	8 789
Operating margin, %	**-9**	-9	6	**-9**	6	4
Return on operating capital, %	**-8**	-8	6	**-8**	5	4
Production, '000 tonnes	**431**	417	432	**847**	847	1 715
Deliveries, '000 tonnes	**420**	421	437	**840**	834	1 745

Demand for newsprint in Europe remained weak in the second quarter. In the first six months of 2010 deliveries were 2 per cent higher compared to the low level for the same period in the preceding year. Imports from North America to Europe fell, while European exports to Asia rose. Prices in Europe are significantly lower than in 2009.

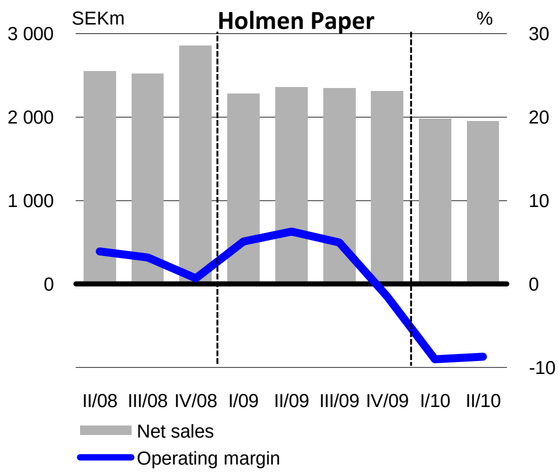
Demand for MF Magazine in Europe was 11 per cent higher in the first six months than in the same period last year. Demand for SC paper fell by 2 per cent, but rose by 11 per cent for coated printing paper.

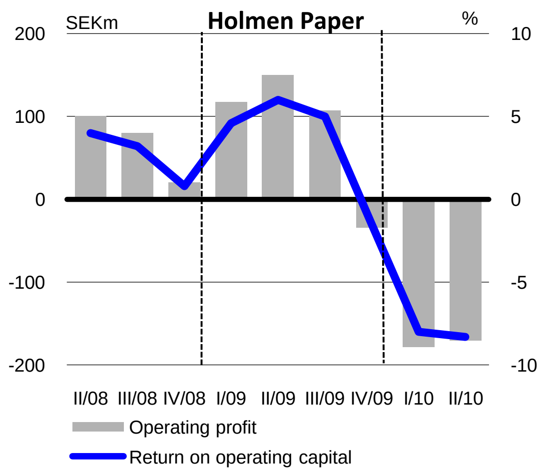
Holmen Paper's deliveries increased to 840 000 tonnes, compared to 834 000 tonnes for the first half of 2009. Deliveries were unchanged from the first quarter.

Holmen Paper's operating loss for January–June amounted to SEK -348 million (profit 267). The deterioration is mainly due to lower selling prices. Profits were also adversely affected by higher prices for recovered paper and pulp. The shortage of recovered paper has entailed certain production limitations.

Compared with the first quarter operating loss decreased by SEK 8 million to SEK -170 million. Increased production and seasonally lower energy costs had a positive impact on the result, but this was counteracted by higher recovered paper costs.

In June, negotiations began on reducing the workforce at Hallsta Paper Mill by about 150 employees. No provision for costs relating to this has yet been made.





Iggesund Paperboard		Quarter		January-June		Full year
SEKm	**2-10**	1-10	2-09	**2010**	2009	2009
Net sales	**1 139**	1 195	1 274	**2 333**	2 540	5 023
Operating costs	**-874**	-959	-1 105	**-1 832**	-2 208	-4 244
Depreciation and amortisation according to plan	**-84**	-73	-92	**-157**	-182	-361
Operating profit	**180**	163	77	**344**	151	419
Investments	**164**	28	75	**192**	131	260
Operating capital	**4 259**	4 018	4 330	**4 259**	4 330	4 114
Operating margin, %	**16**	14	6	**15**	6	8
Return on operating capital, %	**17**	16	7	**17**	7	10
Production, paperboard, '000 tonnes	**107**	113	120	**220**	234	471
Deliveries, paperboard, '000 tonnes	**110**	115	119	**225**	236	477

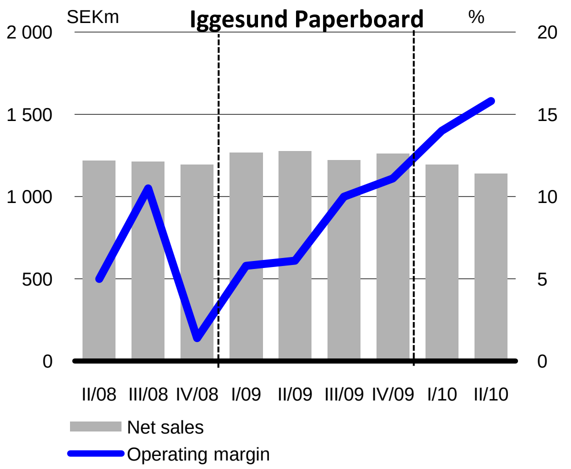
The market for virgin fibre board was strong in the second quarter. In the first half of 2010 deliveries from European producers to Europe were 11 per cent higher than in the same period of 2009. Price increases for solid bleached board and folding boxboard are being implemented.

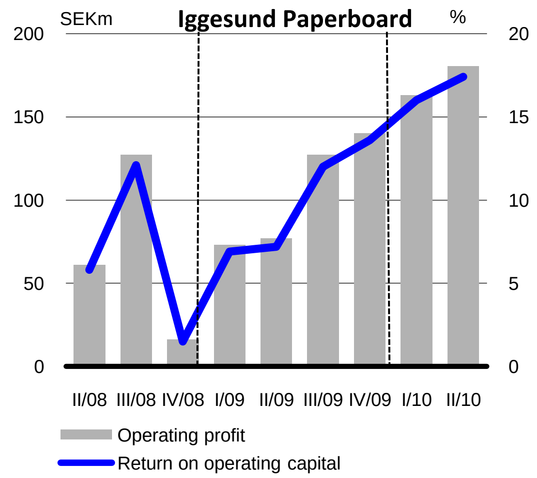
Iggesund Paperboard's deliveries in January–June amounted to 225 000 tonnes, which was somewhat lower than in the preceding year. The strike at Iggesund Mill in the second quarter and the shutdown of a board machine (BM 1) at Workington Mill in December had a negative effect on deliveries. Compared to the first quarter, deliveries fell as a result of the strike.

Iggesund Paperboard's operating profit for January–June was SEK 344 million (151). The strong market made high capacity utilisation possible. As a result of shutting down board machine BM 1 at Workington Mill, staff costs and maintenance costs were cut and the production mix improved.

Compared to the first quarter, profit rose by SEK 17 million to SEK 180 million. The employers' organisation is covering the loss of income and the costs related to the strike at Iggesund Mill.

In the second quarter, Holmen's Board decided to invest in a new soda boiler and turbine at Iggesund Mill. The investment amounts to SEK 2.3 billion and will result in greater electricity generation, enabling the mill to become self-sufficient for electricity at the same time as the capacity for producing pulp will also increase.





Holmen Timber	Quarter			January-June		Full year
SEKm	**2-10**	1-10	2-09	**2010**	2009	2009
Net sales	**150**	128	130	**277**	257	553
Operating costs	**-131**	-113	-117	**-244**	-252	-501
Depreciation and amortisation according to plan	**-7**	-8	-8	**-15**	-16	-31
Operating profit	**11**	7	5	**18**	-11	21
Investments	**224**	115	9	**340**	1	110
Operating capital	**759**	527	319	**759**	319	396
Operating margin, %	**8**	5	4	**7**	-4	4
Return on operating capital, %	**7**	6	6	**7**	-7	6
Production, '000 m^3	**77**	67	72	**144**	140	291
Deliveries, '000 m^3	**71**	62	80	**134**	160	313

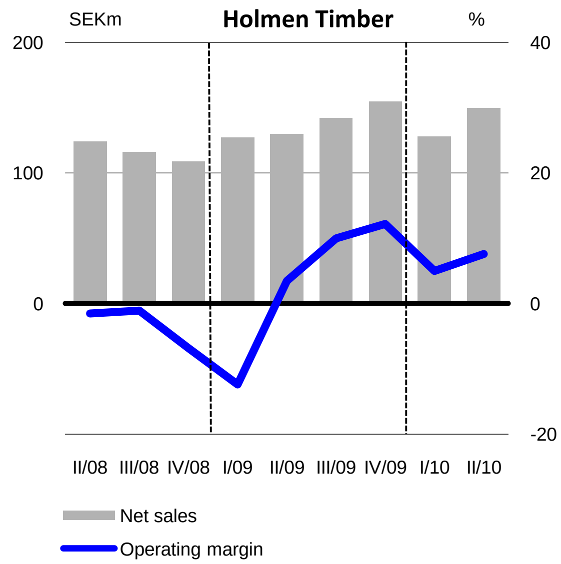
A seasonal rise in the consumption of sawn timber in Europe took place in the second quarter, but the development was weaker than normal. A shortage of raw material limits production at many sawmills. Prices were largely unchanged from the first quarter, but considerably higher than in the first half of 2009.

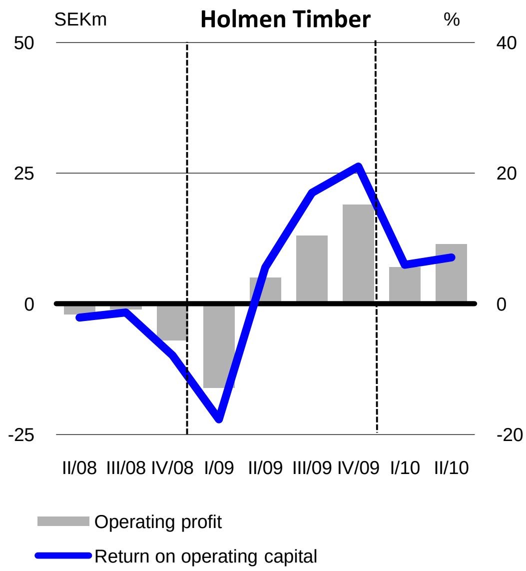
Holmen Timber's deliveries in the January–June period totalled 134 000 cubic metres, 16 per cent lower than in the corresponding period last year. Disruptions to production and transport problems in the harsh winter in the first quarter had an adverse impact on the year's deliveries.

Holmen Timber's operating profit for January–June amounted to SEK 18 million (-11). The improvement is attributable to higher selling prices, although higher raw material prices adversely affected the result.

Compared with the first quarter, operating profit rose by SEK 4 million to SEK 11 million. The improvement is mainly attributable to a rise in deliveries. The figure for the second quarter includes SEK 8 million in costs regarding 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 SEKm	**2-10**	Quarter 1-10	2-09	January-June **2010**	2009	Full year 2009
Net sales	**1 441**	1 408	1 163	**2 849**	2 445	4 799
Operating costs	**-1 222**	-1 214	-1 042	**-2 436**	-2 175	-4 184
Depreciation and amortisation according to plan	**-6**	-6	-6	**-12**	-12	-27
Earnings from operations	**213**	188	114	**401**	258	589
Change in value of forests	**1**	1	30	**2**	20	16
Operating profit	**214**	189	144	**403**	278	605
Investments	**-3**	1	3	**-2**	11	69
Operating capital	**11 410**	11 395	11 420	**11 410**	11 420	11 384
Return on operating capital, %	**8**	7	5	**7**	5	5
Harvesting company forests, '000 m^3	**882**	643	753	**1 525**	1 333	2 897

Demand for timber and pulpwood was strong during the second quarter and prices continued to increase.

Holmen Skog's operating profit for January–June was high as a result of rising wood prices and amounted to SEK 403 million (278). The figure includes a change of SEK 2 million (20) in the value of forests calculated in accordance with IAS 41.

Earnings from operations (profit before changes in the value of forests) totalled SEK 401 million, which is SEK 143 million higher than during the corresponding period in 2009. The increase is the result of high harvesting of the company's forests and higher prices.

Compared to the first quarter, earnings from operations rose by SEK 25 million to SEK 213 million. Harvesting of the company's forests was substantial during the quarter whereas silviculture costs were seasonally high.

Holmen Energi SEKm	**2-10**	Quarter 1-10	2-09	January-June **2010**	2009	Full year 2009
Net sales	**408**	549	359	**957**	801	1 628
Operating costs	**-313**	-362	-293	**-675**	-588	-1 194
Depreciation and amortisation according to plan	**-5**	-5	-5	**-10**	-9	-21
Operating profit	**90**	182	59	**271**	203	414
Investments	**8**	10	31	**18**	50	88
Operating capital	**3 207**	3 219	3 156	**3 207**	3 156	3 207
Return on operating capital, %	**11**	23	8	**17**	13	13
Production of hydro power, GWh	**255**	323	203	**578**	507	1 090

Operating profit for January–June amounted to SEK 271 million (203) and the improvement stems from higher volumes and higher prices. Production was 14 per cent higher than in the same period last year and was on a par with a normal year.

Compared to the first quarter, operating profit decreased by SEK 92 million to SEK 90 million.

Production experienced a seasonal decline, but remained well above normal production for the quarter. Prices returned to more normal levels following the extreme price situation that prevailed in parts of the first quarter.

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

Net financial items and financing

Net financial items for January–June amounted to SEK -107 million (-140). Net debt was lower, while the borrowing cost was principally unchanged at 3.7 per cent (3.6).

Cash flow from operating activities totalled SEK 323 million. The cash flow includes SEK -611 million regarding a tax dispute (see below). Cash flow from investing activities was SEK -629 million. SEK 588 million in dividends was paid to shareholders in the second quarter.

Since the turn of the year, the Group's net financial debt has increased by SEK 601 million to SEK 6 284 million. The debt/equity ratio was 0.38. The equity ratio was 51 per cent.

Financial liabilities including pension provisions totalled SEK 6 644 million, of which SEK 2 729 million were current liabilities. Cash, cash equivalents and financial receivables totalled SEK 360 million. During the second quarter the Group raised a new long-term loan of SEK 300 million and entered into an agreement about a new credit facility of SEK 570 million. The Group thus now has non-current financial liabilities of SEK 3 915 million and unutilised contractually agreed long-term credit facilities of SEK 7 582 million.

Equity

In January–June, the Group's equity increased by SEK 41 million to SEK 16 545 million. Profit for the period reached SEK 312 million, and the dividend paid was SEK 588 million. In addition, other comprehensive income totalled SEK 317 million in January–June. This is mainly attributable to the fact that the strengthened Swedish krona had a positive effect on fair value of outstanding transaction hedges.

Tax

Recognised tax for January–June 2010 was SEK -170 million. This tax corresponded to 35 per cent of profit before tax, which is higher than normal. This was attributable to the negative result reported by Holmen Paper's 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 therefore not affected profit, although it did result in a tax payment of SEK 611 million, of which SEK 465 million affected the cash flow during the first quarter and SEK 146 million the second quarter.

Hedging exchange rates and electricity prices

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–June includes currency hedges of SEK 11 million (-298).

At the end of the quarter, some 95 per cent of the Group's estimated net flows in euro for 2010 were hedged at an exchange rate of SEK 9.7, for 2011 about 85 per cent at SEK 10.6, and for 2012 about 25 per cent at SEK 10.5. Four months' estimated flows in dollars were hedged at an exchange rate of SEK 7.5. The fair value of currency hedges not yet recognised in the income statement amounted to SEK 497 million at the end of the quarter.

For the 2010–2012 period, some 85 per cent of the price of the Group's estimated net consumption of electricity in Sweden has been hedged, while approximately 75 per cent has been hedged for the 2013–2015 period.

Investments

Cash flow from investing activities was SEK -629 million (-277) in January–June. Depreciation and amortisation according to plan totalled SEK 625 million (664). The majority of the investments were in the new sawmill at Braviken and in a new soda boiler and turbine at Iggesund Mill.

Employees

The average number of employees (full-time equivalents) in the Group was 4 276 (4 600). The reduction was attributable to staff cuts at Holmen Paper and to shutting down board machine BM 1 at Workington Mill.

Share buy-back

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 primarily relate to changes in demand and the prices of Holmen's 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.

The board of directors and president hereby confirm that this interim report provides a true and fair view of the parent company's and Group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Stockholm, 11 August 2010
Holmen AB (publ.)

Fredrik Lundberg Chairman	**Carl Kempe** Deputy Chairman	**Ulf Lundahl** Board member
Carl Bennet Board member	**Curt Källströmer** Board member	**Göran Lundin** Board member
Steewe Björklundh Board member	**Hans Larsson** Board member	**Karin Norin** Board member
Kenneth Johansson Board member	**Louise Lindh** Board member	**Magnus Hall** Board member and Chief Executive Officer

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

Interim report for January–September 2010 will be published on 26 October 2010.

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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-June		Full year
	2-10	1-10	2-09	**2010**	2009	2009
Net sales	**4 227**	4 400	4 496	**8 628**	9 025	18 071
Other operating income	**273**	190	146	**463**	284	600
Change in inventories	**31**	-1	-65	**30**	-91	-381
Raw materials and consumables	**-2 383**	-2 467	-2 237	**-4 849**	-4 587	-9 017
Staff costs	**-663**	-625	-695	**-1 288**	-1 348	-2 662
Other operating costs	**-908**	-882	-985	**-1 790**	-1 873	-3 709
Depreciation and amortisation according to plan	**-318**	-308	-333	**-625**	-664	-1 320
Impairment losses	**-**	-	-	**-**	-	-22
Change in value of biological assets	**1**	1	30	**2**	20	16
Interest in earnings of associates	**8**	9	15	**18**	22	45
Operating profit	**268**	320	372	**588**	787	1 620
Finance income	**2**	2	2	**4**	7	12
Finance costs	**-56**	-54	-68	**-111**	-146	-267
Profit before tax	**214**	268	306	**482**	648	1 366
Tax	**-81**	-89	-51	**-170**	-147	-360
Profit for the period	**133**	178	256	**312**	501	1 006
Earnings per share, basic, SEK	**1.6**	2.1	3.0	**3.7**	6.0	12.0
Earnings per share, diluted, SEK	**1.6**	2.1	3.0	**3.7**	6.0	12.0
Operating margin, %	**6.4**	7.3	8.3	**6.8**	8.7	9.0
Return on capital employed, %	**4.8**	5.8	6.6	**5.3**	7.0	7.2
Return on equity, %	**3.2**	4.3	6.6	**3.8**	6.5	6.4

Statement of comprehensive income, SEKm	Quarter			January-June		Full year
	2-10	1-10	2-09	**2010**	2009	2009
Profit for the period	**133**	178	256	**312**	501	1 006
Other comprehensive income						
Cash flow hedging	**84**	443	196	**527**	244	910
Actuarial gains and losses in respect of pensions, incl. special employer's contribution	**-52**	67	52	**15**	-20	15
Translation difference on foreign operation	**10**	-299	62	**-289**	125	-256
Hedging of currency risk in foreign operation	**26**	255	6	**281**	-12	254
Tax attributable to other comprehensive income	**-14**	-202	-68	**-217**	-55	-310
Total other comprehensive income	**54**	264	249	**317**	281	613
Total comprehensive income	**187**	442	505	**629**	782	1 619

The Group

Balance sheet, SEKm	2010 30 June	2010 31 March	2009 31 December
Non-current assets			
Intangible non-current assets	**20**	22	27
Property, plant and equipment	**12 451**	12 317	12 473
Biological assets	**11 130**	11 131	11 109
Interests in associates	**1 775**	1 770	1 770
Other shares and participating interests	**12**	10	10
Non-current financial receivables	**157**	157	151
Deferred tax assets	**265**	264	304
Total non-current assets	**25 811**	25 670	25 845
Current assets			
Inventories	**2 858**	2 740	2 850
Trade receivables	**2 443**	2 420	2 712
Current tax receivable	**9**	23	22
Other operating receivables	**1 048**	789	490
Current financial receivables	**93**	87	74
Cash and cash equivalents	**110**	94	182
Total current assets	**6 562**	6 153	6 331
Total assets	**32 373**	31 823	32 176
Equity	**16 545**	16 358	16 504
Non-current liabilities			
Non-current financial liabilities	**3 615**	3 400	3 472
Pension provisions	**300**	260	320
Other provisions *	**539**	687	1 102
Deferred tax liabilities	**5 372**	5 209	5 045
Total non-current liabilities	**9 827**	9 555	9 939
Current liabilities			
Current financial liabilities	**2 729**	2 116	2 298
Trade payables	**2 002**	1 937	1 911
Current tax liability	**31**	77	102
Provisions	**197**	194	274
Other operating liabilities	**1 042**	1 586	1 149
Total current liabilities	**6 001**	5 910	5 733
Total liabilities	**15 828**	15 465	15 672
Total equity and liabilities	**32 373**	31 823	32 176
Debt/equity ratio, times	**0.38**	0.33	0.34
Equity/assets ratio, %	**51.1**	51.4	51.3
Operating capital	**27 936**	26 741	26 929
Capital employed	**22 829**	21 796	22 188
Net financial debt	**6 284**	5 437	5 683
Pledged collateral	**18**	18	21
Contingent liabilities	**140**	136	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-June 2010	2009
Opening equity	**16 504**	15 641
Profit for the period	**312**	501
Other comprehensive income	**317**	281
Dividends paid	**-588**	-756
Closing equity	**16 545**	15 668

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 2-10	Quarter 1-10	Quarter 2-09	January-June 2010	January-June 2009	Full year 2009
Operating activities						
Profit before tax	**214**	268	306	**482**	648	1 366
Adjustments for non-cash items *	**306**	225	202	**531**	457	1 163
Paid income taxes **	**-111**	-592	-131	**-703**	-81	-334
Cash flow from operating activities before changes in working capital	**408**	-99	377	**309**	1 024	2 195
Cash flow from changes in working capital						
Change in inventories	**-122**	124	199	**2**	290	621
Change in trade receivables and other operating receivables	**-186**	165	34	**-21**	339	445
Change in trade payables and other operating liabilities	**102**	-70	-77	**32**	-466	-389
Cash flow from operating activities	**202**	120	533	**323**	1 187	2 873
Investing activities						
Acquisition of non-current assets	**-495**	-193	-172	**-688**	-303	-759
Disposal of non-current assets	**34**	38	8	**72**	26	45
Change in non-current financial receivables	**0**	-13	-	**-13**	-	-104
Cash flow from investing activities	**-461**	-168	-163	**-629**	-277	-818
Financing activities						
Change in financial liabilities and current financial receivables	**863**	-37	120	**825**	-337	-1 766
Dividends paid to the shareholders of the parent company	**-588**	-	-756	**-588**	-756	-756
Cash flow from financing activities	**275**	-37	-636	**237**	-1 093	-2 522
Cash flow for the period	**16**	-85	-267	**-69**	-183	-467
Opening cash and cash equivalents	**94**	182	737	**182**	653	653
Exchange difference in cash and cash equivalents	**-1**	-3	-1	**-4**	0	-4
Closing cash and cash equivalents	**110**	94	470	**110**	470	182

Change in net financial debt, SEKm	Quarter 2-10	Quarter 1-10	Quarter 2-09	January-June 2010	January-June 2009	Full year 2009
Opening net financial debt	**-5 437**	-5 683	-7 047	**-5 683**	-7 504	-7 504
Cash flow from operating activities	**202**	120	533	**323**	1 187	2 873
Cash flow from investing activities (excl financial receivables)	**-461**	-155	-163	**-616**	-277	-714
Dividends paid	**-588**	-	-756	**-588**	-756	-756
Actuarial revaluation of pension liability	**-52**	67	51	**15**	-20	13
Foreign exchange effects and changes in fair value	**51**	214	113	**265**	101	405
Closing net financial debt	**-6 284**	-5 437	-7 270	**-6 284**	-7 270	-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 -611 million related to ongoing tax litigation, of which SEK -146 million was paid during the second quarter.

The Parent Company

Income statement, SEKm	Quarter 2-10	Quarter 1-10	Quarter 2-09	January-June 2010	January-June 2009	Full year 2009
Operating income	**3 480**	3 392	3 439	**6 872**	6 889	13 884
Operating costs	**-3 331**	-3 337	-3 247	**-6 669**	-6 521	-13 022
Operating profit	**149**	54	192	**203**	368	861
Net financial items	**- 26**	201	885	**175**	804	746
Profit after net financial items	**123**	255	1 077	**378**	1 172	1 607
Appropriations	**88**	-133	7	**-46**	21	388
Profit before tax	**211**	122	1 084	**333**	1 194	1 995
Tax	**-57**	-35	-44	**-93**	-45	-331
Profit for the period	**154**	86	1 040	**240**	1 148	1 664

Statement of comprehensive income, SEKm	Quarter 2-10	Quarter 1-10	Quarter 2-09	January-June 2010	January-June 2009	Full year 2009
Profit for the period	**154**	86	1 040	**240**	1 148	1 664
Other comprehensive income						
Cash flow hedging	**135**	421	218	**556**	218	919
Tax attributable to other comprehensive income	**-36**	-111	-57	**-146**	-57	-242
Total other comprehensive income	**100**	310	161	**410**	161	677
Total comprehensive income	**253**	396	1 201	**650**	1 309	2 341

Balance sheet, SEKm	2010 30 June	2010 31 March	2009 31 December
Non-current assets	**19 009**	19 773	19 645
Current assets	**5 055**	4 721	4 675
Total assets	**24 065**	24 495	24 320
Restricted equity	**5 915**	5 915	5 915
Non-restricted equity	**4 706**	4 809	4 776
Untaxed reserves	**2 409**	2 496	2 363
Provisions	**1 336**	1 319	1 185
Liabilities	**9 700**	9 955	10 081
Total equity and liabilities	**24 065**	24 495	24 320
Pledged collateral	**6**	6	6
Contingent liabilities	**642**	659	688

Sales to Group companies accounted for SEK 75 million (47) of operating income for January-June.

Net financial items include result on hedging of equity in foreign subsidiaries totalling SEK 281 million (-12).

In January-June the parent company's investments in tangible and intangible non-current assets reached SEK 8 million (21).

The Group

Quarterly figures, SEKm	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	January-June 2010	January-June 2009	Full year 2009
Income statement									
Net sales	**4 227**	4 400	4 659	4 387	4 496	4 529	**8 628**	9 025	18 071
Operating costs	**-3 650**	-3 782	-3 943	-3 636	-3 806	-3 789	**-7 432**	-7 596	-15 175
Depreciation and amortisation according to plan	**-318**	-308	-334	-322	-333	-332	**-625**	-664	-1 320
Interest in earnings of associates	**8**	9	10	13	15	7	**18**	22	45
Operating profit	**268**	320	392	442	372	415	**588**	787	1 620
Net financial items	**-55**	-52	-60	-55	-66	-74	**-107**	-140	-255
Profit before tax	**214**	268	332	386	306	341	**482**	648	1 366
Tax	**-81**	-89	-107	-106	-51	-96	**-170**	-147	-360
Profit for the period	**133**	178	225	280	256	245	**312**	501	1 006
Diluted earnings per share, SEK	**1.6**	2.1	2.7	3.3	3.0	2.9	**3.7**	6.0	12.0
Net sales									
Holmen Paper	**1 955**	1 982	2 310	2 348	2 361	2 284	**3 937**	4 645	9 303
Iggesund Paperboard	**1 139**	1 195	1 260	1 223	1 274	1 266	**2 333**	2 540	5 023
Holmen Timber	**150**	128	155	142	130	127	**277**	257	553
Holmen Skog	**1 441**	1 408	1 306	1 048	1 163	1 283	**2 849**	2 445	4 799
Holmen Energi	**408**	549	465	363	359	442	**957**	801	1 628
Elimination of intra-group net sales	**-864**	-862	-837	-737	-791	-872	**-1 726**	-1 663	-3 236
Group	**4 227**	4 400	4 659	4 387	4 496	4 529	**8 628**	9 025	18 071
Operating profit/loss									
Holmen Paper	**-170**	-178	-34	107	150	117	**-348**	267	340
Iggesund Paperboard	**180**	163	140	128	77	73	**344**	151	419
Holmen Timber	**11**	7	19	13	5	-16	**18**	-11	21
Holmen Skog	**214**	189	179	147	144	134	**403**	278	605
Holmen Energi	**90**	182	138	72	59	144	**271**	203	414
Group-wide costs	**-46**	-45	-50	-43	-51	-47	**-91**	-99	-191
Elimination of internal operating profit/loss	**-11**	2	0	16	-11	9	**-9**	-1	13
Group	**268**	320	392	442	372	415	**588**	787	1 620
Operating margin, %									
Holmen Paper	**-8.7**	-9.0	-1.5	4.6	6.3	5.1	**-8.8**	5.7	3.7
Iggesund Paperboard	**15.8**	13.7	11.1	10.5	6.1	5.8	**14.7**	5.9	8.3
Holmen Timber	**7.6**	5.3	12.2	9.5	3.5	-12.4	**6.5**	-4.3	3.8
Group	**6.4**	7.3	8.4	10.1	8.3	9.2	**6.8**	8.7	9.0
Return on operating capital, %									
Holmen Paper	**-8.3**	-8.4	-1.5	4.5	6.0	4.6	**-8.3**	5.3	3.5
Iggesund Paperboard	**17.4**	16.1	13.6	12.1	7.2	6.9	**16.8**	7.0	9.9
Holmen Timber	**7.1**	5.9	21.0	16.7	5.6	-17.7	**6.6**	-6.5	6.2
Holmen Skog	**7.5**	6.6	6.3	5.1	5.0	4.7	**7.1**	4.9	5.3
Holmen Energi	**11.2**	22.6	17.3	9.1	7.7	19.1	**16.9**	13.3	13.3
Group	**3.9**	4.8	5.8	6.4	5.5	6.1	**4.3**	5.8	5.9
Key indicators									
Return on capital employed, %	**4.8**	5.8	7.0	7.8	6.6	7.3	**5.3**	7.0	7.2
Return on equity, %	**3.2**	4.3	5.5	7.0	6.6	6.4	**3.8**	6.5	6.4
Deliveries									
Newsprint and magazine paper, '000 tonnes	**420**	421	456	455	437	397	**840**	834	1 745
Paperboard, '000 tonnes	**110**	115	123	118	119	117	**225**	236	477
Sawn timber, '000 m³	**71**	62	76	76	80	81	**134**	160	313
Harvesting company forests, '000 m³	**882**	643	859	704	753	580	**1 525**	1 333	2 897
Production of hydro power, GWh	**255**	323	355	229	203	304	**578**	507	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 Wednesday August 11. **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

26 October 2010	Interim report January–September
2 February 2011	Year-end report 2010

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 12.30 CET on Wednesday 11 August 2010.