

Press release

20 May 2010

Holmen invests in energy and pulp provision facilities at Iggesund Mill

The Board of Holmen has decided to invest in a new soda boiler and turbine at Iggesund Mill. The investment will total SEK 2.3 billion and also covers equipment for capturing and incinerating weak, sulphur-containing gases. This equipment will further contribute to reducing the mill's emissions to air.

“The investment means an increase in energy efficiency and the opportunity for Iggesund Mill to become self-sufficient in terms of electricity, which is crucial to its profitability and competitiveness,” says Holmen's President and CEO Magnus Hall.

The new soda boiler and turbine mean that the capacity of the mill to produce its own electricity will increase from today's 210 GWh to 520 GWh, and that annual pulp production can gradually be increased from 355 000 tonnes to 420 000 tonnes. The investment will provide the conditions for running the operation without using any fossil fuels or purchasing electricity externally.

The construction period is estimated at two years and will involve employing 1 000 people.

For further information please contact:

Björn Kvik, head of Iggesund Paperboard, +46 70 673 16 40

Staffan Jonsson, mill manager Iggesunds Mill, +46 70 690 88 73

Ingela Carlsson, public relations director, Holmen, tel. +46 702 12 97 12

In its capacity as issuer, Holmen AB is releasing the information in this press release in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 09.30 CET on Thursday 20 May 2010.