

Press release

22 December 2010

Holmen signs electricity supply agreement with Vattenfall

Holmen has reached a new long-term electricity supply agreement with Vattenfall. The agreement means that Holmen will purchase some 0.9 TWh of electricity per year from Vattenfall - almost a third of the purchased electricity that Holmen needs - for a six-year period beginning in 2016.

Around one-third of the electricity Holmen requires comes from its own production at wholly or part-owned hydro power stations and back pressure power production at its mills. In 2009, the Group's total electricity consumption in Sweden amounted to some 3.9 TWh.

"This is an important agreement for Holmen, which is active in a world with great uncertainty regarding the supply of electricity in the future," comments Magnus Hall, Holmen's President and CEO, "and we are pleased to be able to extend our close, long-standing relationship with Vattenfall."

"The long-term supply and efficient use of electricity are important factors for our customers in primary industries. We are therefore very pleased that Holmen has displayed continued confidence in our relationship," says Torbjörn Wahlborg, head of Vattenfall Nordic.

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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 08.30 CET on Wednesday 22 December 2010.