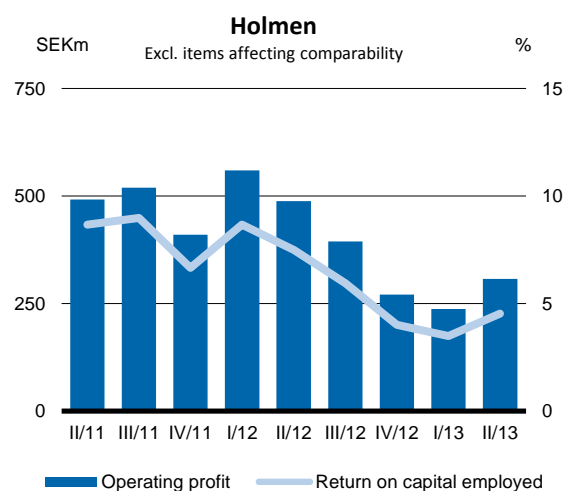
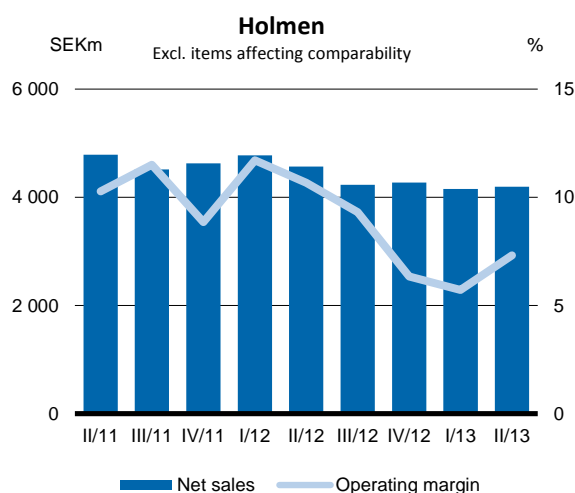


## Interim report January-June 2013

SEKm	2-13	Quarter 1-13	2-12	January-June 2013	2012	Full year 2012
Net turnover	4 197	4 158	4 569	8 354	9 347	17 852
Operating profit excl. items affecting comp.*	307	238	488	545	1 048	1 713
Operating profit	307	98	488	405	1 048	1 520
Profit after tax	232	42	313	274	701	1 853
Earnings per share, SEK	2.8	0.5	3.7	3.3	8.3	22.1
Return on equity, %	4.5	0.8	6.4	2.6	7.2	9.3

\* Items affecting comparability are impairment losses and restructuring costs at Holmen Paper, amounting to SEK -140 million in Q1 2013 and SEK -193 million in Q4 2012.

- Profit after tax for January–June 2013 was SEK 274 million (January–June 2012: 701).
- Earnings per share totalled SEK 3.3 (8.3).
- Return on equity was 2.6 per cent (7.2).
- Operating profit, excluding items affecting comparability, totalled SEK 545 million (1 048). The decline was attributable to lower selling prices for printing paper and a stronger Swedish krona.
- Compared with the first quarter, operating profit rose by SEK 69 million to SEK 307 million. The establishment of a jointly-owned wind power company and start-up of a biofuel boiler in the UK had a positive effect on the result, while a major maintenance shutdown at Iggesund Mill had a negative impact.
- The market situation for paperboard was stable, while demand for printing paper and sawn timber remained weak.



<b>Holmen Paper</b>	Quarter			January-June	Full year
SEKm	2-13	1-13	2-12	2013	2012
Net sales	1 879	1 778	2 090	3 657	4 183
Operating costs	-1 772	-1 708	-1 819	-3 480	-3 686
<b>EBITDA</b>	<b>107</b>	<b>70</b>	<b>270</b>	<b>177</b>	<b>497</b>
Depreciation and amortisation according to plan	-184	-184	-193	-368	-386
<b>Operating profit excl. items affecting comp.</b>	<b>-77</b>	<b>-114</b>	<b>77</b>	<b>-191</b>	<b>111</b>
Items affecting comparability*	-	-140	-	-140	-
<b>Operating profit</b>	<b>-77</b>	<b>-254</b>	<b>77</b>	<b>-331</b>	<b>111</b>
Investments	48	21	39	70	67
Operating capital	5 191	5 323	6 246	5 191	6 246
EBITDA margin, %**	6	4	13	5	12
Operating margin, %**	-4	-6	4	-5	3
Return on operating capital, %**	-6	-8	5	-7	3
Production, '000 tonnes	410	403	425	813	848
Deliveries, '000 tonnes	423	388	419	811	826

\* Items affecting comparability refers to impairment losses and restructuring costs (Q1 SEKm -140, Q4 2012 SEKm -193).

\*\* Excluding items affecting comparability

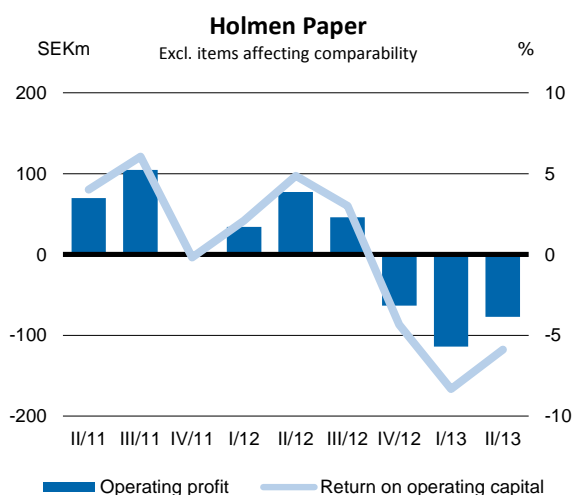
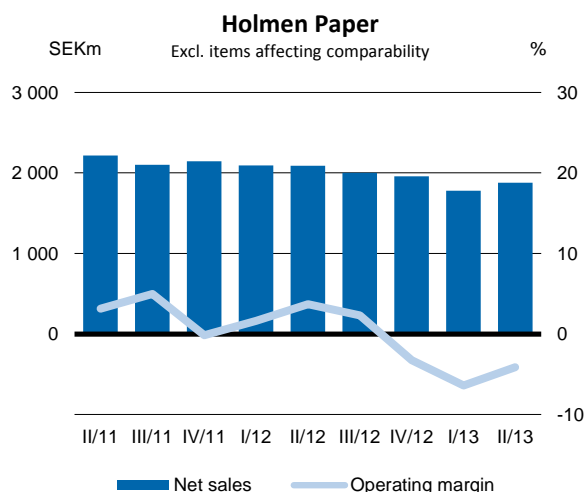
Demand for printing paper in Europe remained weak and deliveries fell by 5 per cent in the first half-year, compared with the same period last year. Some price increases were implemented at mid-year.

Deliveries from Holmen Paper were 2 per cent lower than last year. For the speciality products MF Magazine and book paper, deliveries rose by 10 per cent, while sales of newsprint were down.

Holmen Paper's operating loss for the first half-year was SEK -191 million (+111), excluding items affecting comparability. The decline in profit was attributable to lower selling prices and a stronger Swedish krona. Lower production in response to a difficult market situation also had a negative impact. Costs have been reduced due to efficiency measures performed, along with lower prices for fibre raw materials.

Compared with the first quarter, the operating loss was reduced by SEK 37 million to SEK -77 million, mainly as a result of seasonally lower electricity prices.

The previously announced closures of two paper machines with a total production of 340 000 tonnes will take place in September and October. After the shutdowns, production capacity will total 1 450 000 tonnes, half of which consists of speciality products. In the third quarter, a maintenance and rebuilding shutdown will be carried out at Braviken Paper Mill.



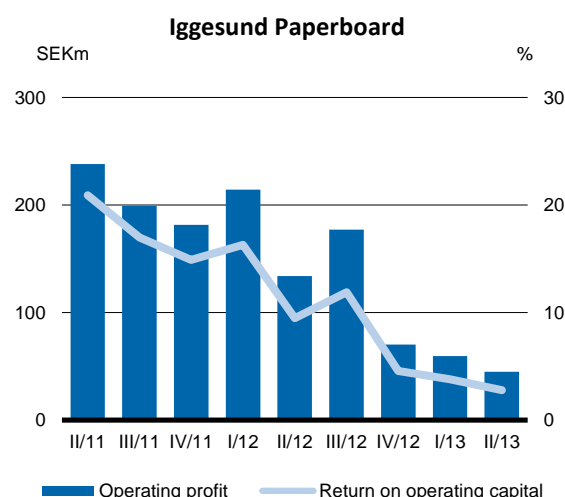
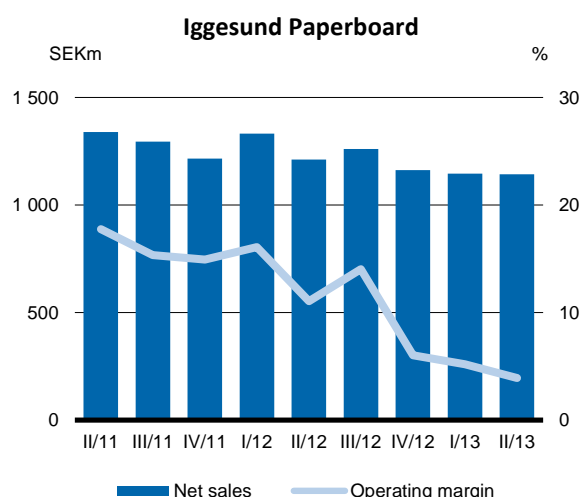
<b>Iggesund Paperboard</b>		Quarter		January-June	Full year
SEKm	<b>2-13</b>	1-13	2-12	<b>2013</b>	2012
Net sales	<b>1 143</b>	1 146	1 212	<b>2 289</b>	2 543
Operating costs	<b>-987</b>	-986	-999	<b>-1 972</b>	-2 036
<b>EBITDA</b>	<b>157</b>	160	213	<b>317</b>	507
Depreciation and amortisation according to plan	<b>-112</b>	-101	-79	<b>-212</b>	-159
<b>Operating profit</b>	<b>45</b>	60	134	<b>104</b>	348
Investments	<b>132</b>	197	371	<b>329</b>	839
Operating capital	<b>6 572</b>	6 341	5 819	<b>6 572</b>	5 819
EBITDA margin, %	<b>14</b>	14	18	<b>14</b>	20
Operating margin, %	<b>4</b>	5	11	<b>5</b>	14
Return on operating capital, %	<b>3</b>	4	9	<b>3</b>	13
Production, paperboard, '000 tonnes	<b>119</b>	119	119	<b>238</b>	246
Deliveries, paperboard, '000 tonnes	<b>119</b>	119	118	<b>238</b>	241

The market for SBB and FBB was stable during the quarter. Deliveries to Europe rose by 5 per cent during the first half-year compared to the same period last year.

Iggesund Paperboard's deliveries amounted to 238 000 tonnes in the first half-year, 3 000 tonnes lower than during the same period last year.

Iggesund Paperboard's operating profit for January-June totalled SEK 104 million (348). The decline was due to a stronger krona, production disruptions as well as costs and production losses arising from a major maintenance shutdown. Depreciation increased as a result of the start-up of a new recovery boiler at Iggesund Mill and a new biofuel boiler in Workington.

Compared with the first quarter, earnings fell by SEK 15 million to SEK 45 million. A major maintenance shutdown at Iggesund Mill led to costs and production losses at a total of approximately SEK 90 million. During the maintenance shutdown, measures were carried out to rectify the problems that had caused production disruptions over the past few quarters. The new biofuel boiler in Workington was started up successfully and made a positive contribution to earnings in the second quarter.



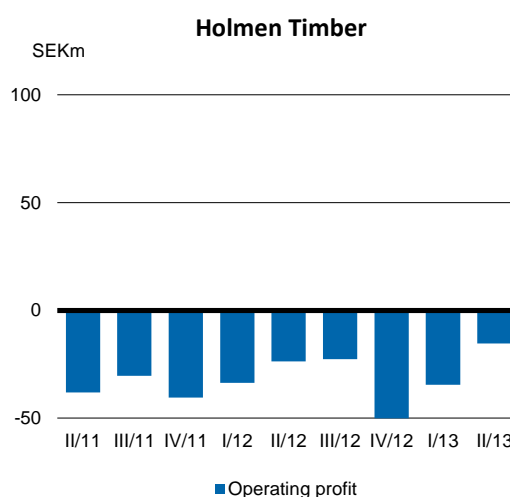
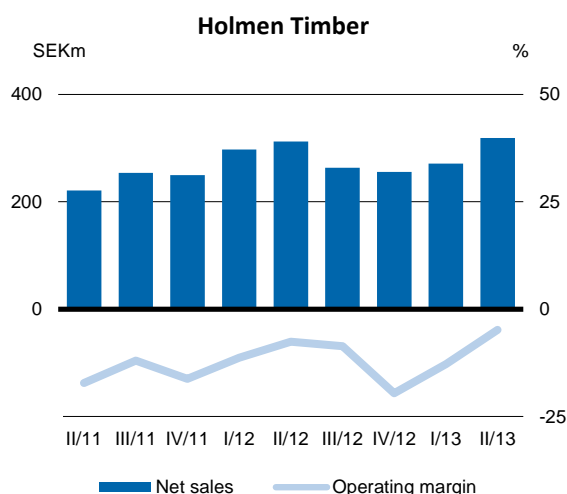
<b>Holmen Timber</b>	Quarter			January-June	Full year
SEKm	2-13	1-13	2-12	2013	2012
Net sales	319	271	313	590	610
Operating costs	-305	-274	-305	-580	-606
<b>EBITDA</b>	<b>14</b>	<b>-3</b>	<b>7</b>	<b>10</b>	<b>4</b>
Depreciation and amortisation according to plan	-29	-31	-31	-60	-62
<b>Operating profit</b>	<b>-15</b>	<b>-35</b>	<b>-24</b>	<b>-50</b>	<b>-130</b>
Investments	8	2	1	10	3
Operating capital	1 413	1 431	1 513	1 413	1 513
EBITDA margin, %	4	-1	2	2	1
Operating margin, %	-5	-13	-8	-8	-9
Production, '000 m <sup>3</sup>	182	171	164	353	337
Deliveries, '000 m <sup>3</sup>	189	163	181	352	354

The market for sawn timber remained weak. The difference between selling price and raw material cost is at a historically low level.

During the first half-year, Holmen Timber delivered 352 000 cubic metres, which was on more or less the same level as the same period last year. Deliveries rose seasonally during the second quarter.

Holmen Timber's operating loss for January–June totalled SEK -50 million (-57). Production was higher and raw material costs lower, but these factors were largely offset by the impact of a stronger krona.

Compared with the first quarter, the operating loss was reduced by SEK 20 million to SEK -15 million, as a result of seasonally higher volumes, a good product mix and lower production costs. Production cutbacks are made in July in connection with the holiday period.

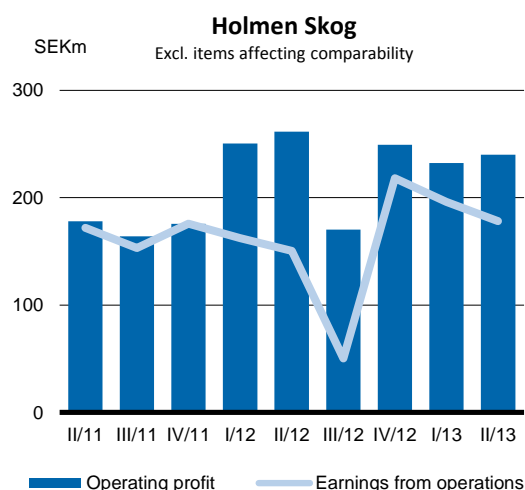
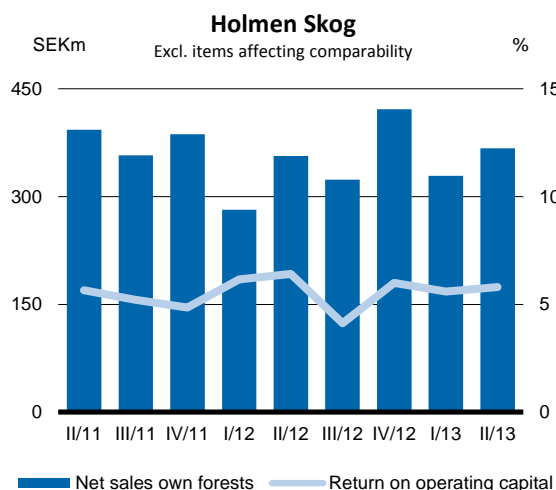


<b>Holmen Skog</b>		Quarter		January-June	Full year
SEKm	2-13	1-13	2-12	2013	2012
Net sales	1 485	1 594	1 578	3 078	3 272
<i>of which from own forests</i>	367	329	356	696	638
Operating costs	-1 298	-1 389	-1 421	-2 688	-2 946
Depreciation and amortisation according to plan	-8	-8	-7	-16	-13
<b>Earnings from operations</b>	<b>178</b>	196	150	<b>374</b>	313
Change in value of forests	62	36	111	98	199
<b>Operating profit</b>	<b>240</b>	232	261	<b>472</b>	512
Investments	0	5	10	5	35
Operating capital	16 556	16 578	16 360	16 556	16 360
Return on operating capital, %	6	6	6	6	6
Harvesting company forests, '000 m <sup>3</sup>	894	826	790	1 720	1 435

Demand for timber and pulpwood in Sweden was normal in the second quarter, and market prices were largely unchanged. Timber prices in southern Sweden remain very high.

Compared with the first quarter, earnings from operations decreased by SEK 18 million to SEK 178 million. Both the volume of harvesting and silviculture costs were seasonally high.

Holmen Skog's earnings from operations for January–June amounted to SEK 374 million (313). The volume of harvesting was high and costs lower, while selling prices fell by an average of 10 per cent. Operating profit, which includes a change in value of SEK 98 million (199), totalled SEK 472 million (512).



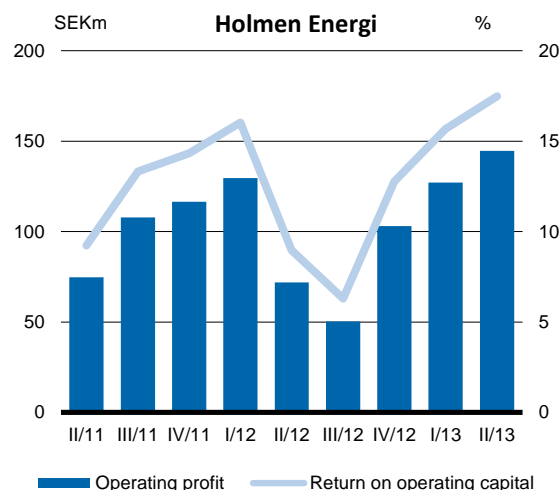
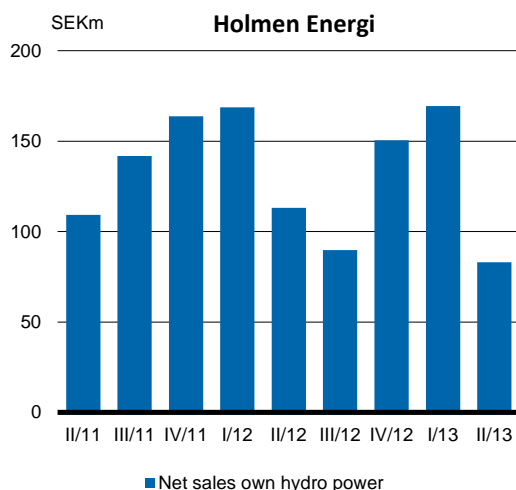
<b>Holmen Energi</b>	Quarter			January-June		Full year
SEKm	2-13	1-13	2-12	2013	2012	2012
Net sales	<b>385</b>	497	413	<b>882</b>	910	1 728
<i>of which from own hydro power</i>	<b>83</b>	169	113	<b>252</b>	282	522
Operating costs	<b>-236</b>	-365	-336	<b>-600</b>	-699	-1 354
Depreciation and amortisation according to plan	<b>-5</b>	-5	-5	<b>-10</b>	-9	-19
<b>Operating profit</b>	<b>145</b>	127	72	<b>272</b>	201	355
Investments	<b>12</b>	0	8	<b>11</b>	11	26
Operating capital	<b>3 396</b>	3 227	3 206	<b>3 396</b>	3 206	3 261
Return on operating capital, %	<b>17</b>	16	9	<b>17</b>	13	11
Production of company hydro power, GWh	<b>195</b>	363	332	<b>558</b>	710	1 343

Holmen Energi's operating profit for January–June totalled SEK 272 million (201). The profit includes SEK +102 million associated with the establishment of a jointly-owned wind power company in the second quarter. Generation of hydro power was 5 per cent lower than normal and 20 per cent lower than the very high level last year. Higher property tax affected the result by SEK -15 million.

Operating profit for the second quarter amounted to SEK 145 million (127). Excluding the income arising from the establishment of the jointly-owned wind power company, profit totalled SEK 43 million. Production declined seasonally.

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

Holmen has decided to build a wind farm close to Hallstavik, together with Eurofideme 2 investment fund, in a jointly-owned company, Varsvik AB. Annual production capacity is estimated at 165 GWh with start-up scheduled for autumn 2014. Holmen has developed the project, which will be constructed on the Group's land. Construction costs, estimated at SEK 650 million, will be funded with bank loans to Varsvik AB, plus equity capital. Holmen's capital contribution will be financed by income from the sale of 50 per cent of the shares in Varsvik AB to Eurofideme 2.



**Net financial items and financing**

Net financial items for January–June totalled SEK -96 million (-108). Borrowing costs fell to an average of 3.2 per cent (4.3). During the period, interest costs of SEK 8 million (36) were capitalised in connection with the construction of a new biofuel boiler in Workington. The new boiler was placed in service at the end of the first quarter. Recognised interest costs have decreased to an equivalent extent.

Cash flow from operating activities totalled SEK 1 000 million. Cash flow from investing activities was SEK -437 million. SEK 756 million in dividends was paid in the second quarter.

During January–June, the Group's net financial debt rose by SEK 113 million to SEK 6 703 million. The debt/equity ratio was 0.33 and the equity/assets ratio 55 per cent. Financial liabilities including pension provisions totalled SEK 6 938 million, SEK 4 468 million of which was represented by current liabilities. Cash, cash equivalents and financial receivables totalled SEK 235 million. The Group has unused long-term contractually agreed credit facilities of SEK 5 386 million, maturing in 2016–2017.

**Equity**

In January–June, the Group's equity decreased by SEK 474 million to SEK 20 339 million. Profit for the period totalled SEK 274 million. Dividend of SEK 756 million was paid. In addition, other comprehensive income totalled SEK 9 million.

**Tax**

Recognised tax for January–June was SEK -36 million (-238). Recognised tax, as a proportion of profit before tax, was 12 per cent (25). The low tax rate arises from the fact that the income from the establishment of a jointly-owned wind power company is not taxable.

**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 22 million (123). At end of the quarter, the Group had hedged its anticipated currency flows for the next four months. Longer-term hedges have been obtained for certain transactions. The fair value of currency hedges not yet recognised as income amounted to SEK -18 million at mid-year.

Prices for the Group's estimated net consumption of electricity in Sweden over the remainder of 2013 and 2014–2015 are fully hedged. For 2016–2018, 60 per cent has been hedged, while for 2019–2021 the figure is 40 per cent.

**Investments**

The cash flow from investment activities for January–June was SEK -437 million (-980). Scheduled depreciation and amortisation totalled SEK 675 million (634). The majority of the investments were in the new recovery boiler and turbine at Iggesund Mill and the new biofuel boiler in Workington.

**Personnel**

The average number of employees (full-time equivalents) in the Group was 3 857 (4 004). The reduction is mainly attributable to cutbacks in Holmen Paper.

**Share buy-backs**

At the 2013 AGM, the Board's authorisation to purchase up to 10 per cent of the company's shares was renewed. No buy-backs took place during the period. The company already owns 0.9 per cent of all shares outstanding.

**Material risks and uncertainties**

The Group's and the parent company's material risks and uncertainties relate primarily to changes in demand and the prices of its products, the cost of key input goods, and changes in exchange rates. For a more detailed description of material risks and uncertainties see Holmen's annual report for 2012 (pages 28–31 and note 26).

**Transactions with related parties**

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

**Accounting policies**

The 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 report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with Recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies of the Parent Company and the Group remain unchanged compared to the most recently published annual report, with the exception of the following amended standards, which are applicable as of 1 January 2013. The amended standards are applied retroactively unless otherwise stated below. The structure of the statement of comprehensive income has been altered so that it follows the changes in IAS 1 Presentation of Financial Statements. Further information is submitted in accordance with the expanded disclosure requirements in IFRS 7. The amended IFRS 13, IAS 19 and UFR 9 standards apply but have not resulted in any effect on amounts or information in this interim report. IFRS 13 is being applied prospectively. The amended RFR 2 and its alternative rule apply to the Parent Company, which means that Group contributions are recognised as balance sheet appropriations. The figures in tables are rounded off.

The Board of Directors and the Chief Executive Officer 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, 14 August 2013  
Holmen AB (publ)

**Fredrik Lundberg**

Chairman

**Lars G Josefsson**

Board member

**Göran Lundin**

Board member

**Carl Bennet**

Board member

**Carl Kempe**

Deputy Chairman

**Karin Norin**

Board member

**Steewe Björklundh**

Board member

**Louise Lindh**

Board member

**Magnus Hall**

Board member and  
Chief Executive Officer

**Kenneth Johansson**

Board member

**Ulf Lundahl**

Board member

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

For further information please contact:

Magnus Hall, President and CEO, tel. +46 8 666 21 05

Anders Jernhall, CFO, tel. +46 8 666 21 22

Ingela Carlsson, Communications Director, tel. +46 70 212 97 12



## The Group

Income statement, SEKm	Quarter			January-June		Full year
	2-13	1-13	2-12	2013	2012	2012
Net sales	4 197	4 158	4 569	8 354	9 347	17 852
Other operating income	302	149	165	451	308	621
Change in inventories	-82	114	-2	32	9	-34
Raw materials and consumables	-2 321	-2 494	-2 490	-4 816	-5 172	-9 802
Staff costs	-624	-599	-645	-1 223	-1 267	-2 499
Other operating costs	-887	-841	-915	-1 727	-1 761	-3 550
Depreciation and amortisation according to plan	-342	-333	-317	-675	-634	-1 313
Impairment losses	-	-100	-	-100	-	-153
Change in value of biological assets	62	36	111	98	199	350
Interest in earnings of associates	2	9	13	11	19	47
<b>Operating profit</b>	<b>307</b>	<b>98</b>	<b>488</b>	<b>405</b>	<b>1 048</b>	<b>1 520</b>
Finance income	2	3	2	5	4	7
Finance costs	-52	-49	-55	-101	-113	-234
<b>Profit before tax</b>	<b>257</b>	<b>53</b>	<b>436</b>	<b>310</b>	<b>940</b>	<b>1 294</b>
Tax	-25	-11	-123	-36	-238	559
<b>Profit for the period</b>	<b>232</b>	<b>42</b>	<b>313</b>	<b>274</b>	<b>701</b>	<b>1 853</b>
Earnings per share, basic, SEK	2.8	0.5	3.7	3.3	8.3	22.1
Earnings per share, diluted, SEK	2.8	0.5	3.7	3.3	8.3	22.1
Operating margin, % *	7.3	5.7	10.7	6.5	11.2	9.6
Return on capital employed, % *	4.5	3.5	7.5	4.0	8.1	6.5
Return on equity, %	4.5	0.8	6.4	2.6	7.2	9.3

Statement of comprehensive income, SEKm	Quarter			January-June		Full year
	2-13	1-13	2-12	2013	2012	2012
<b>Profit for the period</b>	<b>232</b>	<b>42</b>	<b>313</b>	<b>274</b>	<b>701</b>	<b>1 853</b>
<b>Other comprehensive income</b>						
Actuarial gains and losses in respect of pensions, incl. special employer's contribution	5	77	-29	83	10	-16
Tax attributable to items that will not be reclassified to profit for the period	-1	-18	7	-19	-2	-2
<b>Items that will not be reclassified to profit for the period</b>	<b>4</b>	<b>60</b>	<b>-21</b>	<b>64</b>	<b>7</b>	<b>-18</b>
Cash flow hedging	-53	-17	21	-70	-50	-77
Translation difference on foreign operation	174	-155	8	19	-20	-129
Hedging of currency risk in foreign operation	-67	42	16	-25	30	88
Tax attributable to items that will be reclassified to profit for the period	26	-6	-10	21	5	-5
<b>Items that will be reclassified to profit for the period</b>	<b>80</b>	<b>-136</b>	<b>36</b>	<b>-55</b>	<b>-35</b>	<b>-123</b>
<b>Total other comprehensive income after tax</b>	<b>84</b>	<b>-76</b>	<b>14</b>	<b>9</b>	<b>-27</b>	<b>-141</b>
<b>Total comprehensive income</b>	<b>316</b>	<b>-34</b>	<b>327</b>	<b>282</b>	<b>674</b>	<b>1 711</b>

\* Excl. items affecting comparability.

Change in equity, SEKm	January-June	
	2013	2012
<b>Opening equity</b>	<b>20 813</b>	<b>19 773</b>
Profit for the period	274	701
Other comprehensive income	9	-27
<b>Total comprehensive income</b>	<b>282</b>	<b>674</b>
Dividends paid	-756	-672
<b>Closing equity</b>	<b>20 339</b>	<b>19 776</b>

Share structure					
	Votes	No. of shares	No. of votes	Quota value	SEKm
A-share	10	22 623 234	226 232 340	50	1 131.2
B-share	1	62 132 928	62 132 928	50	3 106.6
<b>Total number of shares</b>		<b>84 756 162</b>	<b>288 365 268</b>		<b>4 237.8</b>
Holding of own B shares bought back		-760 000	-760 000		
<b>Total number of shares in issue</b>		<b>83 996 162</b>	<b>287 605 268</b>		

During the second quarter the exercise period for issued call options expired without being exercised.

## The Group

<b>Balance sheet, SEKm</b>	<b>2013 30 June</b>	<b>2013 31 March</b>	<b>2012 31 December</b>
<b>Non-current assets</b>			
Intangible non-current assets	57	55	57
Property, plant and equipment	12 195	12 182	12 543
Biological assets	16 323	16 258	16 227
Associates and joint venture	1 942	1 826	1 821
Other shares and participating interests	13	13	13
Non-current financial receivables	41	37	39
Deferred tax assets	2	2	2
<b>Total non-current assets</b>	<b>30 572</b>	<b>30 372</b>	<b>30 702</b>
<b>Current assets</b>			
Inventories	2 981	3 173	3 221
Trade receivables	2 392	2 259	2 290
Current tax receivable	230	534	75
Other operating receivables	553	527	419
Current financial receivables	35	40	31
Cash and cash equivalents	159	127	308
<b>Total current assets</b>	<b>6 350</b>	<b>6 660</b>	<b>6 343</b>
<b>Total assets</b>	<b>36 922</b>	<b>37 033</b>	<b>37 046</b>
<b>Equity</b>	<b>20 339</b>	<b>20 779</b>	<b>20 813</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	2 229	2 717	1 746
Pension provisions	241	258	355
Other provisions	552	554	497
Deferred tax liabilities	5 813	5 811	5 504
<b>Total non-current liabilities</b>	<b>8 834</b>	<b>9 340</b>	<b>8 102</b>
<b>Current liabilities</b>			
Current financial liabilities	4 468	3 583	4 866
Trade payables	1 955	2 112	2 245
Current tax liability	4	10	3
Provisions	103	106	68
Other operating liabilities	1 219	1 103	950
<b>Total current liabilities</b>	<b>7 749</b>	<b>6 914</b>	<b>8 131</b>
<b>Total liabilities</b>	<b>16 583</b>	<b>16 254</b>	<b>16 233</b>
<b>Total equity and liabilities</b>	<b>36 922</b>	<b>37 033</b>	<b>37 046</b>
Debt/equity ratio, times	0.33	0.31	0.32
Equity/assets ratio, %	55.1	56.1	56.2
Operating capital	32 853	32 942	32 905
Capital employed	27 042	27 133	27 403
Net financial debt	6 703	6 354	6 590
Pledged collateral	111	6	6
Contingent liabilities	118	109	100

<b>Financial instruments, SEKm</b>	<b>Recognised value</b>		<b>Fair value</b>	
	<b>2013 30 June</b>	<b>2012 31 December</b>	<b>2013 30 June</b>	<b>2012 31 December</b>
Assets at fair value	29	71	29	71
Assets at acquisition cost	2 619	2 670	2 606	2 657
Liabilities at fair value	-190	-106	-190	-106
Liabilities at acquisition cost	-8 577	-8 772	-8 644	-8 849

Holmen measures financial instruments at fair value or acquisition cost in the balance sheet depending on classification. In addition to items in net financial debt, with the exception of the pension liability, financial instruments cover trade receivables and trade payables. Financial instruments measured at fair value in the balance sheet belong to measurement level 2 pursuant to IFRS 7.

All of the Group's derivatives are covered by ISDA or FEMA agreements, which entails a right to offset assets and liabilities in relation to the same counterparty. Assets and liabilities are not offset in the report. Recognised derivatives totalled SEK 29 million on the asset side and SEK 190 million on the liabilities side.

## The Group

Cash flow analysis, SEKm	Quarter			January-June		Full year
	2-13	1-13	2-12	2013	2012	2012
<b>Operating activities</b>						
Profit before tax	257	53	436	310	940	1 294
Adjustments for non-cash items *	156	471	212	626	407	1 057
Paid income taxes	315	-147	7	168	-234	-434
<b>Cash flow from operating activities before changes in working capital</b>	<b>727</b>	<b>376</b>	<b>655</b>	<b>1 104</b>	<b>1 112</b>	<b>1 916</b>
<b>Cash flow from changes in working capital</b>						
Change in inventories	208	41	70	248	164	314
Change in trade receivables and other operating receivables	-107	-119	-48	-226	-15	241
Change in trade payables and other operating liabilities	-179	53	41	-126	-2	-217
<b>Cash flow from operating activities</b>	<b>649</b>	<b>352</b>	<b>719</b>	<b>1 000</b>	<b>1 260</b>	<b>2 254</b>
<b>Investing activities</b>						
Acquisition of non-current assets	-262	-236	-452	-497	-993	-1 975
Disposal of non-current assets	56	3	6	59	7	18
Change in non-current financial receivables	2	-0	-1	1	6	37
<b>Cash flow from investing activities</b>	<b>-204</b>	<b>-233</b>	<b>-447</b>	<b>-437</b>	<b>-980</b>	<b>-1 920</b>
<b>Financing activities</b>						
Change in financial liabilities and current financial receivables	341	-297	412	44	394	537
Dividends paid to the shareholders of the parent company	-756	-	-672	-756	-672	-672
<b>Cash flow from financing activities</b>	<b>-415</b>	<b>-297</b>	<b>-260</b>	<b>-712</b>	<b>-278</b>	<b>-135</b>
<b>Cash flow for the period</b>	<b>29</b>	<b>-178</b>	<b>12</b>	<b>-149</b>	<b>2</b>	<b>199</b>
Opening cash and cash equivalents	127	308	101	308	112	112
Exchange difference in cash and cash equivalents	3	-2	0	0	-1	-3
<b>Closing cash and cash equivalents</b>	<b>159</b>	<b>127</b>	<b>113</b>	<b>159</b>	<b>113</b>	<b>308</b>

Change in net financial debt, SEKm	Quarter			January-June		Full year
	2-13	1-13	2-12	2013	2012	2012
Opening net financial debt	-6 354	-6 590	-6 207	-6 590	-6 259	-6 259
Cash flow from operating activities	649	352	719	1 000	1 260	2 254
Cash flow from investing activities (excl financial receivables)	-206	-233	-446	-439	-986	-1 956
Dividends paid	-756	-	-672	-756	-672	-672
Actuarial revaluation of pension liability	5	77	-28	81	10	-16
Foreign exchange effects and changes in fair value	-41	40	-11	-0	2	59
<b>Closing net financial debt</b>	<b>-6 703</b>	<b>-6 354</b>	<b>-6 645</b>	<b>-6 703</b>	<b>-6 645</b>	<b>-6 590</b>

\* The adjustments consist primarily of depreciation according to plan, impairment losses, 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.

## The Parent company

Income statement, SEKm	2-13	Quarter 1-13	2-12	January-June 2013	2012	Full year 2012
Operating income	3 957	3 900	4 193	7 858	8 564	16 419
Operating costs	-3 837	-3 886	-3 998	-7 723	-8 116	-15 416
<b>Operating profit</b>	<b>120</b>	<b>14</b>	<b>194</b>	<b>135</b>	<b>448</b>	<b>1 004</b>
Net financial items	- 91	- 8	-225	- 99	- 44	-1 295
<b>Profit after net financial items</b>	<b>30</b>	<b>6</b>	<b>-31</b>	<b>36</b>	<b>404</b>	<b>-291</b>
Appropriations	62	63	268	125	400	-798
<b>Profit before tax</b>	<b>92</b>	<b>69</b>	<b>237</b>	<b>161</b>	<b>804</b>	<b>-1 089</b>
Tax	5	-5	-110	0	-199	95
<b>Profit for the period</b>	<b>97</b>	<b>64</b>	<b>127</b>	<b>161</b>	<b>605</b>	<b>-994</b>

Statement of comprehensive income, SEKm	2-13	Quarter 1-13	2-12	January-June 2013	2012	Full year 2012
<b>Profit for the period</b>	<b>97</b>	<b>64</b>	<b>127</b>	<b>161</b>	<b>605</b>	<b>-994</b>
<b>Other comprehensive income</b>						
Cash flow hedging	-53	37	2	-17	-64	-70
Tax attributable to other comprehensive income	12	-8	-1	4	17	12
<b>Items that will be reclassified to profit for the period</b>	<b>-42</b>	<b>29</b>	<b>2</b>	<b>-13</b>	<b>-47</b>	<b>-58</b>
<b>Total comprehensive income</b>	<b>55</b>	<b>93</b>	<b>129</b>	<b>148</b>	<b>558</b>	<b>-1 053</b>

Balance sheet, SEKm	2013 30 June	2013 31 March	2012 31 December
Non-current assets	17 721	18 141	18 029
Current assets	5 129	5 527	5 624
<b>Total assets</b>	<b>22 850</b>	<b>23 668</b>	<b>23 653</b>
Restricted equity	5 915	5 915	5 915
Non-restricted equity	2 906	3 606	3 514
Untaxed reserves	1 784	1 934	2 064
Provisions	1 284	1 332	1 262
Liabilities	10 961	10 881	10 898
<b>Total equity and liabilities</b>	<b>22 850</b>	<b>23 668</b>	<b>23 653</b>
Pledged collateral	111	6	6
Contingent liabilities	99	91	77

Sales to Group companies accounted for SEK 46 million (48) of operating income for January–June.

The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 4 (27) million.

Net financial items include the result from hedging equity in foreign subsidiaries totalling SEK -25 (30) million.

## The Group

Quarterly figures, SEKm	2013		2012				January-June		Full year
	Q2	Q1	Q4	Q3	Q2	Q1	2013	2012	2012
<b>Income statement</b>									
Net sales	4 197	4 158	4 276	4 230	4 569	4 778	8 354	9 347	17 852
Operating costs	-3 611	-3 632	-3 717	-3 623	-3 888	-3 996	-7 243	-7 884	-15 224
Interest in earnings of associates	2	9	20	8	13	6	11	19	47
Depreciation and amortisation according to plan	-342	-333	-339	-340	-317	-317	-675	-634	-1 313
Change in value of forests	62	36	31	120	111	88	98	199	350
Items affecting comparability*	-	-140	-193	-	-	-	-140	-	-193
<b>Operating profit</b>	<b>307</b>	<b>98</b>	<b>78</b>	<b>394</b>	<b>488</b>	<b>560</b>	<b>405</b>	<b>1 048</b>	<b>1 520</b>
Net financial items	-50	-45	-54	-64	-52	-56	-96	-108	-227
<b>Profit before tax</b>	<b>257</b>	<b>53</b>	<b>24</b>	<b>330</b>	<b>436</b>	<b>504</b>	<b>310</b>	<b>940</b>	<b>1 294</b>
Tax	-25	-11	878	-81	-123	-116	-36	-238	559
<b>Profit for the period</b>	<b>232</b>	<b>42</b>	<b>902</b>	<b>249</b>	<b>313</b>	<b>389</b>	<b>274</b>	<b>701</b>	<b>1 853</b>
Diluted earnings per share, SEK	2.8	0.5	10.7	3.0	3.7	4.6	3.3	8.3	22.1
<b>Net sales</b>									
Holmen Paper	1 879	1 778	1 960	2 001	2 090	2 093	3 657	4 183	8 144
Iggesund Paperboard	1 143	1 146	1 163	1 261	1 212	1 332	2 289	2 543	4 967
Holmen Timber	319	271	256	264	313	298	590	610	1 129
Holmen Skog	1 485	1 594	1 479	1 310	1 578	1 695	3 078	3 272	6 061
Holmen Energi	385	497	460	358	413	497	882	910	1 728
Elimination of intra-group net sales	-1 015	-1 127	-1 042	-964	-1 036	-1 136	-2 142	-2 172	-4 178
<b>Group</b>	<b>4 197</b>	<b>4 158</b>	<b>4 276</b>	<b>4 230</b>	<b>4 569</b>	<b>4 778</b>	<b>8 354</b>	<b>9 347</b>	<b>17 852</b>
<b>Operating profit/loss by business area**</b>									
Holmen Paper	-77	-114	-63	46	77	34	-191	111	94
Iggesund Paperboard	45	60	70	177	134	214	104	348	596
Holmen Timber	-15	-35	-50	-23	-24	-34	-50	-57	-130
Holmen Skog	240	232	249	170	261	250	472	512	931
Holmen Energi	145	127	103	50	72	130	272	201	355
Group-wide	-30	-33	-38	-27	-33	-35	-62	-68	-132
<b>Group</b>	<b>307</b>	<b>238</b>	<b>271</b>	<b>394</b>	<b>488</b>	<b>560</b>	<b>545</b>	<b>1 048</b>	<b>1 713</b>
<b>Operating margin, % **</b>									
Holmen Paper	-4.1	-6.4	-3.2	2.3	3.7	1.6	-5.2	2.7	1.2
Iggesund Paperboard	3.9	5.2	6.0	14.1	11.0	16.1	4.6	13.7	12.0
Holmen Timber	-4.8	-12.8	-19.6	-8.6	-7.5	-11.3	-8.5	-9.4	-11.5
Group	7.3	5.7	6.3	9.3	10.7	11.7	6.5	11.2	9.6
<b>EBITDA by business area**</b>									
Holmen Paper	107	70	128	237	270	227	177	497	862
Iggesund Paperboard	157	160	170	281	213	295	317	507	959
Holmen Timber	14	-3	-22	8	7	-3	10	4	-10
Holmen Skog	186	204	230	58	157	169	391	326	614
Holmen Energi	150	132	108	55	77	134	282	211	374
Group-wide	-26	-29	-35	-25	-30	-33	-54	-63	-123
<b>Group</b>	<b>587</b>	<b>535</b>	<b>579</b>	<b>615</b>	<b>694</b>	<b>789</b>	<b>1 122</b>	<b>1 482</b>	<b>2 676</b>
<b>Return on operating capital, % **</b>									
Holmen Paper	-5.9	-8.3	-4.3	3.0	4.9	2.1	-7.1	3.5	1.5
Iggesund Paperboard	2.8	3.8	4.6	11.9	9.5	16.3	3.3	12.8	10.4
Holmen Timber	-4.3	-9.7	-14.1	-6.2	-6.2	-8.8	-7.0	-7.5	-8.7
Holmen Skog	5.8	5.6	6.0	4.1	6.4	6.2	5.7	6.3	5.7
Holmen Energi	17.5	15.7	12.8	6.3	9.0	16.0	16.6	12.5	11.0
Group	3.7	2.9	3.3	4.8	6.0	6.9	3.3	6.5	5.2
<b>Key indicators</b>									
Return on capital employed, % **	4.5	3.5	4.0	5.9	7.5	8.7	4.0	8.1	6.5
Return on equity, %	4.5	0.8	17.7	5.0	6.4	7.9	2.6	7.2	9.3
<b>Deliveries</b>									
Printing paper, '000 tonnes	423	388	411	414	419	406	811	826	1 651
Paperboard, '000 tonnes	119	119	117	126	118	123	238	241	485
Sawn timber, '000 m³	189	163	155	151	181	173	352	354	660
Harvesting company forests, '000 m³	894	826	1 016	760	790	645	1 720	1 435	3 211
Production of company hydro power, GWh	195	363	351	282	332	378	558	710	1 343

\* Items affecting comparability in Q1 2013 and Q4 2012 refers to an impairment loss on non-current assets and restructuring costs.

\*\* Excl. items affecting comparability.

## The Group

Full year review, SEKm	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Income statement</b>										
Net sales	17 852	18 656	17 581	18 071	19 334	19 159	18 592	16 319	15 653	15 816
Operating costs	-15 224	-15 501	-15 077	-15 191	-16 614	-15 637	-15 069	-13 287	-12 631	-12 306
Interest in earnings of associates	47	84	28	45	50	12	11	20	25	-6
Depreciation and amortisation according to plan	-1 313	-1 260	-1 251	-1 320	-1 343	-1 337	-1 346	-1 167	-1 156	-1 166
Change in value of forests	350	-	52	16	-16	89	115	82	61	-
Items affecting comparability*	-193	3 593	264	-	-361	557	-	-	-	-
<b>Operating profit</b>	<b>1 520</b>	<b>5 573</b>	<b>1 596</b>	<b>1 620</b>	<b>1 051</b>	<b>2 843</b>	<b>2 303</b>	<b>1 967</b>	<b>1 952</b>	<b>2 338</b>
Net financial items	-227	-244	-208	-255	-311	-261	-247	-233	-206	-212
<b>Profit before tax</b>	<b>1 294</b>	<b>5 328</b>	<b>1 388</b>	<b>1 366</b>	<b>740</b>	<b>2 582</b>	<b>2 056</b>	<b>1 734</b>	<b>1 746</b>	<b>2 126</b>
Tax	559	-1 374	-684	-360	-98	-1 077	-597	-478	-471	-675
<b>Profit for the year</b>	<b>1 853</b>	<b>3 955</b>	<b>704</b>	<b>1 006</b>	<b>642</b>	<b>1 505</b>	<b>1 459</b>	<b>1 256</b>	<b>1 275</b>	<b>1 451</b>
Diluted earnings per share, SEK	22.1	47.1	8.4	12.0	7.6	17.8	17.2	14.8	15.1	17.5
<b>Operating profit by business area**</b>										
Holmen Paper	94	228	-618	340	280	623	754	631	487	747
Iggesund Paperboard	596	863	817	419	320	599	752	626	809	1 001
Holmen Timber	-130	-136	20	21	13	146	80	13	5	18
Holmen Skog	931	739	818	605	632	702	643	537	586	516
Holmen Energi	355	406	495	414	327	272	197	301	178	193
Group-wide	-132	-120	-200	-178	-159	-56	-123	-141	-113	-137
<b>Group</b>	<b>1 713</b>	<b>1 980</b>	<b>1 332</b>	<b>1 620</b>	<b>1 412</b>	<b>2 286</b>	<b>2 303</b>	<b>1 967</b>	<b>1 952</b>	<b>2 338</b>
<b>EBITDA by business area**</b>										
Holmen Paper	862	1 002	229	1 218	1 176	1 537	1 667	1 358	1 214	1 497
Iggesund Paperboard	959	1 186	1 141	780	688	954	1 108	976	1 152	1 335
Holmen Timber	-10	-26	49	52	47	169	104	38	28	40
Holmen Skog	614	769	794	616	674	639	556	483	553	545
Holmen Energi	374	425	516	435	346	289	214	319	196	210
Group-wide	-123	-116	-198	-176	-160	-54	-115	-122	-96	-123
<b>Group</b>	<b>2 676</b>	<b>3 240</b>	<b>2 531</b>	<b>2 925</b>	<b>2 771</b>	<b>3 534</b>	<b>3 534</b>	<b>3 052</b>	<b>3 047</b>	<b>3 504</b>
<b>Deliveries</b>										
Printing paper, '000 tonnes	1 651	1 668	1 732	1 745	2 044	2 025	2 021	1 764	1 731	1 655
Paperboard, '000 tonnes	485	474	464	477	494	516	536	492	501	481
Sawn timber, '000 m³	660	487	285	313	266	262	248	229	195	189
Harvesting company forests, million m³	3.2	3.0	3.0	2.9	2.6	2.6	2.6	2.3	2.6	2.7
Production of company hydro power, GWh	1 343	1 230	1 145	1 090	1 128	1 193	934	1 236	1 054	867
<b>Balance sheet</b>										
Non-current assets	30 664	30 334	26 028	25 694	26 506	26 153	25 354	25 793	23 381	20 940
Current assets	6 005	6 642	6 950	6 075	7 268	6 549	6 138	5 709	5 149	4 743
Financial receivables	377	240	454	407	828	541	649	712	459	675
<b>Total assets</b>	<b>37 046</b>	<b>37 217</b>	<b>33 432</b>	<b>32 176</b>	<b>34 602</b>	<b>33 243</b>	<b>32 141</b>	<b>32 214</b>	<b>28 989</b>	<b>26 358</b>
Equity	20 813	19 773	16 913	16 504	15 641	16 932	16 636	16 007	15 635	15 366
Deferred tax liability	5 504	6 630	5 910	5 045	4 819	5 482	5 030	5 143	5 177	4 557
Financial liabilities and interest-bearing provisions	6 967	6 499	6 227	6 091	8 332	6 518	6 634	7 351	5 335	4 044
Operating liabilities	3 762	4 313	4 382	4 536	5 809	4 310	3 841	3 713	2 842	2 391
<b>Total equity and liabilities</b>	<b>37 046</b>	<b>37 217</b>	<b>33 432</b>	<b>32 176</b>	<b>34 602</b>	<b>33 243</b>	<b>32 141</b>	<b>32 214</b>	<b>28 989</b>	<b>26 358</b>
<b>Cash flow</b>										
Operating activities	2 254	2 101	1 523	2 873	1 660	2 476	2 358	2 471	2 331	2 443
Investing activities	-1 920	-1 733	-1 597	-818	-1 124	-1 315	-947	-3 029	-1 195	-726
<b>Cash flow after investments</b>	<b>334</b>	<b>368</b>	<b>-74</b>	<b>2 054</b>	<b>536</b>	<b>1 161</b>	<b>1 411</b>	<b>-558</b>	<b>1 136</b>	<b>1 717</b>
<b>Key indicators</b>										
Return on capital employed, % **	7	9	6	7	6	10	10	9	10	12
Return on equity, %	9	23	4	6	4	9	9	8	8	10
Debt/equity ratio	0.32	0.32	0.34	0.34	0.48	0.35	0.36	0.41	0.31	0.22
<b>Dividend</b>										
Ordinary dividend, SEK	9	8	7	7	9	12	12	11	10	10
Extra dividend, SEK	-	-	-	-	-	-	-	-	-	30

\* Items affecting comparability in 2012 refers to an impairment loss on non-current assets (SEK -153 million) and restructuring costs (SEK -40 million). 2011 refers to revaluation of forest. 2010 refers to write-down of fixed assets (SEK -555 million), provisions for restructuring (SEK -231 million) and revaluation of forest (SEK +1050 million). 2008 refers to provisions and costs due to restructure and closure of mills and result effects from fire (SEK -361 million). 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 magazines, directories, advertising material, books and daily newspapers at two Swedish mills and one Spanish mill. Iggesund Paperboard produces paperboard for consumer packaging and graphics printing at one Swedish and one English mill. Holmen Timber produces sawn timber at two Swedish sawmills. Annual production capacity is 1 450 000 tonnes of printing paper after announced closures, 540 000 tonnes of paperboard and 880 000 cubic metres of sawn timber.

Holmen Skog manages the Group's forests covering just over one million hectares. The annual volume harvested in company forests is some 3.2 million cubic metres. Holmen Energi is responsible for the Group's hydro and wind 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 14. Venue: Strand Hotel, Nybrokajen 9, 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](http://www.holmen.com). You may also participate in the conference by telephone, by calling +46 (0)8 505 564 74 (within Sweden), +44 (0)203 364 53 74 (from the rest of Europe) or +1 855 753 22 30 (from the US) no later than 14.25 CET.

## Financial reports

24 October 2013	Interim report January-September 2013
13 February 2014	Year-end report 2013
7 May 2014	Interim report January-March 2014
13 August 2014	Interim report January-June 2014

---

In its capacity as issuer, Holmen AB is releasing the information in this interim report for January-June 2013 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 Wednesday August 14, 2013.

*This is a translation of the Swedish interim report of Holmen Aktiebolag (publ.). In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail.*