

## Press release

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### Restructuring at Braviken Paper Mill

Holmen Paper intends to cease production on PM 51 at Braviken Paper Mill outside Norrköping, Sweden during the third quarter of 2013. The mill's product mix will be improved when the proportion of newsprint shrinks by 200 000 tonnes. At the same time, staff will be cut by 180 persons.

“We're forced to shut down parts of our newsprint production,” says Henrik Sjölund, head of Holmen Paper. “Falling demand, pressure on prices, excessively high costs of raw materials and, not least, the strong Swedish krona makes this measure inevitable. It's extremely regrettable that it has to affect so many of our employees.”

The restructuring process is a further step in the strategy of concentrating Holmen Paper's Swedish operations on speciality paper.

“This spring, we'll be introducing book paper from Braviken while further refining the speciality products that are already being produced today,” says Henrik Sjölund. “The measures are part of our change strategy in which we're developing unique speciality paper that makes the production processes of our customers more cost efficient.”

Following the restructuring programme, Braviken Paper Mill is estimated to have 360 employees and two paper machines with an annual capacity of just under 600 000 tonnes of printing paper. When the changes currently underway at Holmen Paper have been completed, it is estimated that the Swedish units will be able to produce 1 150 000 tonnes of printing paper, of which 75 per cent will be speciality paper, a portion that is expected to grow further. Production is 90 per cent based on virgin fibre. At the mill in Madrid just over 300 000 tonnes of newsprint are produced, based on recovered paper and recovered water. The combined workforce in the business area is estimated to amount to 1 000 employees.

Operating profit for the first quarter is expected to be affected by an impairment loss on non-current assets (SEK 100 million) and a provision for restructuring costs (SEK 40 million).

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For further information please contact:

Ingela Carlsson, communications director, Holmen, tel. +46 (0)70-212 97 12

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