

Press release

16 March 2016

Holmen to divest its newsprint mill in Spain

Holmen has signed an agreement to sell its newsprint mill in Madrid, Spain, including energy and recycled paper operations. The buyer, International Paper, will convert the mill into containerboard production.

“This transaction allows us to focus on developing our successful speciality paper strategy at our Swedish mills,” says Henrik Sjölund, Holmen CEO and President. “Holmen has the base in renewable forest and energy assets supplemented by industrial operations in paperboard, printing paper and sawn timber. After the sale of the Madrid mill, the printing paper operations have the potential to deliver good profitability.”

International Paper will continue to produce newsprint at the mill until the second half of 2017 when it is scheduled to be converted into containerboard. During this period, Holmen will sell the newsprint produced at the mill and continue to serve its customers.

Included in the transaction is also the recycled paper collector Cartón y Papel Reciclado S.A. (Carpa) and Holmen’s 50 per cent shareholding in the energy producer Peninsular Cogeneración S.A.

Holmen’s first quarter operating profit will be negatively impacted by SEK 300 million, which will be reported as item affecting comparability. Cash-flow, excluding working capital, will be positively impacted by SEK 500 million upon closing of the transaction which is expected in the second quarter of 2016. The financial effects of selling newsprint from the Madrid mill during the period until conversion is expected to be limited.

Closing of the transaction is subject to satisfaction of certain conditions, including anti-trust approval.

For more information, please contact:

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This is information that Holmen AB is obliged to disclose under the Swedish Securities Market Act and the Swedish Financial Instruments Trading Act. The information was submitted for publication on 16 March 2016 at 08.00 CET.

Holmen is a forest industry group that manufactures paperboard, printing paper and sawn timber and runs forestry and energy production operations. In 2015 Holmen’s net sales were SEK 16 billion and the group has approx. 3,300 employees. Holmen’s shares are listed on Nasdaq Stockholm, Large Cap. For more information, visit www.holmen.com