

Interim Report January-September 2008

MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	4 591	4 826	4 637	14 291	14 086	19 159
Operating profit	64	257	642	767	1 804	2 843
Operating profit excl. items affecting comparability*	362	320	642	1 128	1 804	2 286
Profit after tax	-24	124	438	371	1 164	1 505
Earnings per share (after dilution), SEK	-0.3	1.5	5.2	4.4	13.7	17.8
Return on equity, %	-0.6	3.0	10.6	3.0	9.5	9.2

* Item affecting comparability in the third quarter of 2008 relates to a provision of costs for the closure of Wargön Mill of MSEK 298. The second quarter figure includes a cost of MSEK 115 for the closure of PM2 at Hallsta Paper Mill and income of MSEK 52, corresponding to the effects on the result of the fire at Braviken Paper Mill. Items affecting comparability of 2007 relate to a write-down of MSEK 1 603 within Holmen Paper, a reversed write-down of MSEK 60 within Holmen Timber, and a positive revaluation of forests by MSEK 2 100 within Holmen Skog.

- The Group's net turnover for January-September 2008 amounted to MSEK 14 291 (January-September 2007: 14 086).
- Profit after tax was MSEK 371 (1 164).
- Earnings per share after dilution amounted to SEK 4.4 (13.7). Return on equity was 3.0% (9.5).
- The operating profit was MSEK 767 (1 804). This figure includes net costs affecting comparability of MSEK 361 within Holmen Paper, of which a provision in the third quarter for the closure of Wargön Mill accounted for MSEK 298.

The operating profit excluding items affecting comparability amounted to MSEK 1 128 (1 804). The decline in the result is due to lower newsprint prices and the higher cost of wood and other input goods.

- The operating profit excluding items affecting comparability for the third quarter amounted to MSEK 362, which was MSEK 42 higher than for the second quarter. The improvement in the result is mainly attributable to seasonally lower personnel and maintenance costs, whereas the result was adversely affected by higher costs of input goods.
- Demand for newsprint in Europe was lower than in the previous year, while exports from Europe rose, imports declined and some capacity was taken out of production. This has resulted in a high level of capacity utilisation at European producers.

Deliveries of virgin-fibre board from European producers to Europe during January-September were broadly the same as in the previous year. Prices have been increased in Europe during the second half of the year.

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Holmen Paper MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	2 517	2 547	2 556	7 589	7 547	10 345
Operating costs	-2 213	-2 217	-2 088	-6 651	-6 343	-8 808
Depreciation according to plan	-225	-230	-227	-678	-687	-914
Items affecting comparability *	-298	-63	-	-361	-	-1 603
Operating profit	-218	37	241	-101	516	-980
Operating profit excl. items affecting comparability *	80	100	241	260	516	623
Capital expenditure	150	193	117	573	471	584
Operating capital	9 729	10 109	11 762	9 729	11 762	9 971
Operating margin, % **	3	4	9	3	7	6
Return on operating capital, % **	3	4	8	4	6	5
Production, 1 000 tonnes	515	494	499	1 533	1 512	2 034
Deliveries, 1 000 tonnes	493	508	503	1 505	1 469	2 025

* Item affecting comparability in the third quarter of 2008 relates to a provision of costs for the closure of Wargön Mill of MSEK 298. The second quarter figure includes a cost of MSEK 115 for the closure of PM2 at Hallsta Paper Mill and income of MSEK 52, corresponding to the effects on the result of the fire at Braviken Paper Mill. Items affecting comparability of 2007 relate to a write-down of goodwill of MSEK 569 and tangible fixed assets of MSEK 1 034.

** Excl. items affecting comparability.

Demand for newsprint in Europe during January-September 2008 was 3% lower than in the corresponding period in 2007, while exports from Europe rose, imports declined and some capacity was taken out of production. This has resulted in a high level of capacity utilisation at European producers.

Deliveries of MF Magazine to Europe were unchanged during January-September in relation to the corresponding period in 2007, whilst deliveries of SC Paper to Europe rose by 6%.

Holmen Paper's deliveries rose by 2% in relation to January-September 2007. Compared with the second quarter, deliveries were slightly lower for seasonal reasons. As a result of reductions in newsprint and MF Magazine prices the prices of Holmen Paper's products were on average some 3% lower than during the corresponding period in 2007.

Holmen Paper's operating profit excluding items affecting comparability for January-September 2008 amounted to MSEK 260 (516). The deterioration in the result was due to lower selling prices, the higher cost of input goods, mainly wood, and negative currency effects. However, higher volumes and lower maintenance costs had a favourable effect on the result.

Compared with the second quarter the third quarter operating profit excluding items affecting comparability deteriorated by MSEK 20 to

MSEK 80, mainly owing to the higher cost of input goods.

Items affecting comparability amounted to a cost of MSEK 361 for January-September 2008. They relate to a provision of MSEK 298 during the third quarter for the closure of Wargön Mill, a provision of MSEK 115 to cover the cost of closing down the PM2 paper machine at Hallsta Paper Mill and a net income of MSEK 52 following the fire at Braviken, both in the second quarter.

Holmen's Board took the decision in August to close down the business at Wargön Mill (annual capacity of 145 000 tonnes of MWC paper). Negotiations on the closure were completed during the third quarter and production will be discontinued in December 2008.

As of November production was discontinued on Hallsta Paper Mill's PM2 paper machine and the recovered paper line. The closure is part of a major restructuring process at the Hallsta Paper Mill that involves a reduction in the production of standard newsprint at Hallsta and the transfer of PM2's production of mainly book paper to a larger machine. Together with other changes in the product mix in the business area, the restructuring will contribute to a reduction in Holmen Paper's total production of standard newsprint by 150 000 tonnes per year.

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Iggesund Paperboard MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	1 210	1 219	1 239	3 666	3 862	5 100
Operating costs	-990	-1 068	-1 037	-3 087	-3 101	-4 147
Depreciation according to plan	-92	-91	-88	-275	-263	-355
Operating profit	127	61	115	304	499	599
Capital expenditure	102	79	209	230	430	689
Operating capital	4 227	4 196	4 149	4 227	4 149	4 180
Operating margin, %	11	5	9	8	13	12
Return on operating capital, %	12	6	11	10	16	15
Production, paperboard, 1 000 tonnes	128	123	116	378	386	513
Deliveries, paperboard, 1 000 tonnes	124	127	125	378	389	516

Deliveries of virgin-fibre board from European producers to Europe were unchanged during January-September in relation to the previous year.

Iggesund's deliveries amounted to 378 000 tonnes, which was 3% lower than for the corresponding period last year. Prices were higher than in January-September 2007 as a consequence of price increases made in the previous year. Further price increases have been made in Europe during the second half of 2008 for both solid bleached board and folding boxboard in the packaging and graphic segments.

Iggesund's operating profit for January-September 2008 amounted to MSEK 304 (499). The decline is due to lower production and deliveries, the higher cost of wood and other input goods and to a weaker US dollar. Higher prices and lower maintenance costs have had a positive impact on the result.

Compared with the second quarter, the result increased by MSEK 66 to MSEK 127, mainly as a result of higher production and seasonally lower costs for personnel and maintenance.

Holmen Timber MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	116	124	124	390	438	589
Operating costs	-109	-118	-84	-345	-311	-420
Depreciation according to plan	-9	-8	-6	-25	-17	-23
Item affecting comparability *	-	-	-	-	-	60
Operating profit	-1	-2	35	20	109	206
Capital expenditure	5	20	10	31	24	63
Operating capital	369	359	236	369	236	345
Operating margin, % **	-2	-2	28	4	25	24
Return on operating capital, % **	-1	-2	61	7	67	64
Production, 1 000 m ³	72	63	57	207	200	272
Deliveries, 1 000 m ³	66	66	53	203	198	262

* Item affecting comparability relates to a reversed write-down of tangible fixed assets of MSEK 60 in the fourth quarter of 2007.

** Excl. items affecting comparability.

The market for sawn timber remained weak in the third quarter and prices declined. Producer stocks have fallen slightly, but are still high.

Holmen Timber's operating profit for January-September 2008 amounted to MSEK 20 (109). The deterioration in the result is mainly due to lower prices.

Compared with the second quarter, the operating result improved by MSEK 1 to a loss of MSEK 1. Lower prices had a negative impact on the result. However, the previous quarter's figures were affected by a shutdown for rebuilding.

The planning process is continuing for the new sawmill at Braviken Paper Mill in Norrköping and production is planned to start in the second half of 2010.

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Holmen Skog MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	1 208	1 433	1 074	4 077	3 440	4 775
Operating costs	-1 075	-1 283	-932	-3 617	-3 018	-4 136
Depreciation according to plan	-6	-6	-6	-17	-19	-26
Earnings from operations	127	144	135	443	402	613
Change in value of forests	23	8	10	10	107	89
Item affecting comparability *	-	-	-	-	-	2 100
Operating profit	150	152	145	453	509	2 802
Capital expenditure	10	19	5	38	16	79
Operating capital	11 378	11 392	9 126	11 378	9 126	11 264
Return on operating capital, % **	5	5	6	5	8	8
Harvesting company forests, 1 000 m ³	631	714	642	1 879	1 847	2 575

* Item affecting comparability relates to a positive revaluation of forests of MSEK 2 100 in the fourth quarter of 2007.

** The calculation is based on earnings from operations.

Holmen Skog's operating profit for January-September 2008 amounted to MSEK 453 (509). The figure includes an increase of MSEK 10 (107) in the value of company forests in accordance with IAS 41. Earnings from operations (the result before changes in the value of forests) increased by MSEK 41 to MSEK 443 as a consequence of higher wood prices, whereas harvesting and silviculture costs increased.

Compared with the second quarter earnings from operations declined by MSEK 17 to MSEK 127, which is mainly explained by a lower level of harvesting, whereas silviculture costs were seasonally lower. The change in value amounted to MSEK 23 (8).

Holmen Energi MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	442	392	352	1 333	1 128	1 590
Operating costs	-404	-329	-307	-1 102	-916	-1 300
Depreciation according to plan	-5	-4	-4	-14	-13	-17
Operating profit	33	58	40	217	199	272
Capital expenditure	8	22	3	41	7	14
Operating capital	2 954	2 952	2 947	2 954	2 947	2 960
Return on operating capital, %	5	8	5	10	9	9
Production of hydro power, GWh	176	254	249	817	917	1 193

Holmen Energi's operating profit for January-September 2008 amounted to MSEK 217 (199). The improvement in the result is mainly an effect of higher prices, while production was lower. However, production for January-September was 3% higher than during a normal year. Low precipitation has resulted in water levels being lower than normal.

Compared with the second quarter, the operating profit declined by MSEK 25 to MSEK 33 as a consequence of seasonally lower production.

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Net financial items and financing

Net financial costs for January-September 2008 amounted to MSEK 222 (costs 196). The change is due to higher market interest rates.

The cash flow from current operations amounted to MSEK 1 146 and the cash flow absorbed by investment activities was MSEK 892. A dividend of MSEK 1 017 has been paid out during the year.

Since the beginning of the year the Group's financial net debt has increased by MSEK 1 212 to MSEK 7 189. The debt/equity ratio was 0.45. The equity ratio was 47%.

Financial liabilities amounted to MSEK 7 674, of which MSEK 4 822 was short term. Liquid funds and financial receivables amounted to MSEK 485. The Group has long-term committed credit facilities of some MSEK 6 400, of which some MSEK 490 was utilised at the turn of the quarter.

Tax

The Group's tax charge for January-September 2008 amounted to MSEK 174 (charge 444), which corresponds to 32% of the pre-tax profit.

Hedging of exchange rates and electricity prices

The operating result for January-September 2008 includes the result of currency hedges, which was a loss of MSEK 85 (profit 47). For the remainder of 2008 the greater part of the Group's estimated net currency flows are hedged. For 2009 some 95% of the estimated flows in Euro have been hedged at an average exchange rate of 9.36, and for 2010 some 75% have been hedged at an average exchange rate of 9.62. Flows in sterling and US dollar for the coming four months are hedged.

For the remainder of 2008 and up to 2012 inclusive the price of 100% of the Group's estimated net consumption of electricity in Sweden has been hedged and some 90% for the 2013-2015 period.

Capital expenditure

The Group's capital expenditure during January-September 2008 amounted to MSEK 917 (950). Depreciation according to plan was MSEK 1 010 (1 000).

Employees

The average number of employees in the Group was 4 870 (4 956).

Incentive scheme

During the second quarter an incentive scheme within the Holmen Group was introduced, whereby employees were invited to acquire, at market price, call options on Series "B" shares in Holmen. A total of 758 300 call options were issued. The price of each option was SEK 20 and the exercise price of the options is SEK 224.50 per share. Each option entitles the owner to buy one share during the exercise period of May-June 2013. Holmen's undertaking within the scheme has been secured by the buy-back of the company's own shares.

Share buy-back

At the AGM, Holmen's shareholders renewed the Board's mandate to make decisions to buy back up to 10% of the company's shares.

Shares were bought back in the second quarter of 2008 to secure the company's undertaking pursuant to the incentive scheme. In total, 760 000 Series "B" shares have been bought back, which corresponds to some 0.9% of the total number of shares in issue, and approximately 0.3% of the total number of votes. The average price paid for these shares was SEK 201.70.

Significant risks and uncertainty factors

The Group's and the parent company's significant risks and uncertainty factors relate primarily to changes in demand and the prices of its products, the cost of important input goods, and to changes in exchange rates. For a more detailed description of the risks and uncertainty factors see pages 26-27 and Note 26 in Holmen's annual report for 2007. The recent turbulence on financial markets has added to the uncertainty regarding economic developments.

Related party transactions

No transactions have been carried out between Holmen and related parties that have had a material impact on the company's financial position and results.

Stockholm 12 November 2008
Holmen AB (publ)

Magnus Hall
President and CEO

Year-end report for 2008 will be published on 5 February 2009.

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Review Report

Introduction

We have reviewed Holmen AB's interim report as per September 30, 2008 and the nine-month reporting period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to

obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm 12 November 2008

KPMG AB

George Pettersson
Authorised Public Accountant

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Accounting principles

The interim report for the Group is made up in accordance with IAS 34 Interim Reporting, the Annual Accounts Act and the Law regarding the securities market. For the parent company the interim report is made up in accordance with the Annual Accounts Act and the Law regarding the securities market. The Parent company's and the Group's accounting principles used in the report are unchanged in relation to the latest published annual report. The figures in tables are rounded.

The Group

Income statement, MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Net turnover	4 591	4 826	4 637	14 291	14 086	19 159
Other operating income	117	277	220	557	450	642
Change in value of biological assets	23	8	10	10	107	2 189
Change in inventory of finished products and work in progress	232	-69	-24	254	159	62
Raw materials, goods for resale and consumables	-2 765	-2 736	-2 413	-8 228	-7 504	-10 146
Personnel costs	-760	-790	-601	-2 245	-1 965	-2 664
Other operating costs	-998	-931	-858	-2 845	-2 534	-3 531
Depreciation according to plan	-337	-339	-332	-1 010	-1 000	-1 337
Write-downs	-56	-	-	-56	-	-1 543
Interest in earnings of associated companies	16	12	3	40	4	12
Operating profit	64	257	642	767	1 804	2 843
Financial income	3	3	5	9	12	17
Financial costs	-88	-76	-73	-231	-208	-279
Profit before tax	-22	185	573	545	1 608	2 582
Tax	-2	-61	-135	-174	-444	-1 077
Profit for the period	-24	124	438	371	1 164	1 505
Earnings per share, before dilution, SEK	-0.3	1.5	5.2	4.4	13.7	17.8
Earnings per share, after dilution, SEK	-0.3	1.5	5.2	4.4	13.7	17.8
Average number of shares, before dilution, (million)	84.0	84.5	84.8	84.4	84.8	84.8
Average number of shares, after dilution, (million)	84.0	84.5	84.8	84.4	84.8	84.8
Operating margin, % *	7.5	6.4	13.8	7.6	12.8	11.9
Return on capital employed, % *	6.3	5.6	11.2	6.6	10.5	10.0
Return on equity, %	-0.6	3.0	10.6	3.0	9.5	9.2

Account of stated income and costs, MSEK	January-September		Full year
	2008	2007	2007
Income and costs stated direct in equity			
Cash flow hedges			
Revaluation of derivatives stated in equity	-273	-34	-209
Brought forward from equity to the income statement	60	-41	-34
Brought forward from equity to fixed assets	0	1	2
Actuarial revaluation of pension liability	-202	7	61
Translation difference on foreign operation	79	-84	-29
Hedge of currency risk in foreign operation	-118	74	-33
Tax attributable to items stated direct in equity	145	-9	51
Total stated direct in equity	-309	-86	-192
Profit for the period stated in the income statement	371	1 164	1 505
Total stated income and costs	62	1 078	1 314
Other changes in equity			
Dividend paid to the parent company's shareholders	-1 017	-1 017	-1 017
Buy-back / sale of own shares etc. **	-138	-	-
Total change in equity	-1 093	61	297

* Excl. items affecting comparability.

** Consists of buy-back of own shares (cost MSEK 153) and received premiums of issued call options (MSEK 15) related to an incentive scheme.

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The Group

Balance sheet, MSEK	2008	2007
	30 September	31 December
ASSETS		
Fixed assets		
Intangible fixed assets	125	42
Tangible fixed assets	12 904	12 984
Biological assets	11 070	11 073
Shares in associated companies	1 790	1 745
Other shares and participations	8	7
Long-term financial receivables	119	108
Deferred tax receivables	319	301
Total fixed assets	26 335	26 261
Current assets		
Inventories	3 395	3 063
Short-term operating receivables	3 936	3 485
Short-term financial receivables	42	39
Liquid funds	324	394
Total current assets	7 697	6 982
Total assets	34 031	33 243
EQUITY AND LIABILITIES		
Equity	15 839	16 932
Long-term liabilities		
Long-term financial liabilities	2 450	2 452
Deferred tax liabilities	5 430	5 482
Pension provisions	401	247
Other provisions	796	658
Total long-term liabilities	9 077	8 840
Short-term liabilities		
Short-term financial liabilities	4 822	3 819
Operating liabilities	4 293	3 652
Total short-term liabilities	9 116	7 471
Total liabilities	18 193	16 311
Total equity and liabilities	34 031	33 243
Debt/equity ratio	0.45	0.35
Equity ratio, %	46.5	50.9
Operating capital	28 138	28 090
Capital employed	23 027	22 909
Financial net debt	7 189	5 977
Pledged assets	139	100
Contingent liabilities	927	915

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The Group

Cash flow analysis, MSEK	January-September		Full year
	2008	2007	2007
Current operations			
Profit before tax	545	1 608	2 582
Adjustments for items not included in cash flow *	1 373	812	629
Paid income tax	-299	-343	-390
Cash flow from current operations before changes in working capital	1 619	2 077	2 821
Cash flow from changes in working capital			
Change in inventories	-335	-308	-457
Change in operating receivables	-250	-101	-213
Change in operating liabilities	112	-9	325
Cash flow from current operations	1 146	1 660	2 476
Investment activities			
Acquisition of fixed assets	-917	-950	-1 434
Sale of fixed assets	25	12	119
Cash flow from investment activities	-892	-937	-1 315
Financing activities			
Change in financial liabilities and receivables	828	229	-236
Buy-back / sale of own shares etc. **	-138	-	-
Dividend paid to the parent company's shareholders	-1 017	-1 017	-1 017
Cash flow from financing activities	-327	-788	-1 253
Cash flow for the period	-73	-66	-91
Opening liquid funds	394	484	484
Currency difference in liquid funds	3	-1	1
Closing liquid funds	324	417	394

Change in financial net debt, MSEK	January-September		Full year
	2008	2007	2007
Opening financial net debt	-5 977	-5 985	-5 985
Cash flow			
Current operations	1 146	1 660	2 476
Investment activities	-892	-937	-1 315
Buy-back / sale of own shares etc. **	-138	-	-
Dividend paid	-1 017	-1 017	-1 017
Actuarial revaluation of pension provision	-202	7	61
Currency effects and changes in fair value	-110	-103	-197
Closing financial net debt	-7 189	-6 377	-5 977

Share structure			
Share	Votes	Number of shares	Number of votes
A	10	22 623 234	226 232 340
B	1	62 132 928	62 132 928
Total number of shares		84 756 162	288 365 268
Holding of own B-shares		-760 000	-760 000
Total number of shares in issue		83 996 162	287 605 268
Issued call options, B-shares		758 300	

* The adjustments consist primarily of depreciation according to plan, change in value of biological assets, write-downs and reversed write-downs of fixed assets, change in provisions, currency effects and revaluations of financial instruments as well as capital gains/losses on sales of fixed assets.

** Consists of buy-back of own shares (cost MSEK 153) and received premiums of issued call options (MSEK 15) related to an incentive scheme.

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Parent company

Income statement, MSEK	Quarter			January-September		Full year
	3-08	2-08	3-07	2008	2007	2007
Operating income	3 512	3 870	3 575	11 071	10 778	14 735
Operating costs	-3 532	-3 831	-3 198	-10 860	-9 665	-13 345
Operating profit	- 21	39	377	211	1 113	1 390
Net financial items	- 203	- 85	86	- 271	90	-1 517
Profit after net financial items	-224	-46	463	-60	1 203	-127
Appropriations	76	-70	-128	-92	-416	-97
Profit before tax	-147	-116	335	-152	788	-224
Tax	36	31	-71	30	-196	-324
Profit for the period	-111	-85	265	-122	592	-548

Balance sheet, MSEK	2008	2007	2007
	30 September	31 December	30 September
Fixed assets	20 910	18 439	22 238
Current assets	5 940	6 881	5 797
Total assets	26 850	25 321	28 035
Restricted equity	5 915	5 915	5 915
Non-restricted equity	3 426	4 520	5 712
Untaxed reserves	2 788	2 696	3 014
Provisions	575	911	920
Liabilities	14 147	11 279	12 475
Total equity and liabilities	26 850	25 321	28 035
Pledged assets	6	6	6
Contingent liabilities	780	790	849

Of the net turnover for January-September 2008, MSEK 99 (67) relates to sales to Group companies.

The parent company's capital expenditure in tangible and intangible fixed assets for January-September 2008 amounted to MSEK 35 (17).

Net financial items include the result from hedging equity in the foreign subsidiaries. At Group level, this result is stated direct against equity. Net financial items for the full year of 2007 include a write-down of MSEK 1 508 in the value of shares.

Interim Report January-September 2008

Koncernen

Quarterly figures, MSEK	2008			2007				
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year
Income statement								
Net turnover	4 591	4 826	4 875	5 073	4 637	4 662	4 787	19 159
Operating costs	-3 909	-4 178	-4 107	-4 261	-3 666	-3 802	-3 818	-15 548
Depreciation according to plan	-337	-339	-334	-337	-332	-332	-336	-1 337
Interest in earnings of associated companies	16	12	12	7	3	1	1	12
Items affecting comparability *	-298	-63	-	557	-	-	-	557
Operating profit	64	257	446	1 039	642	529	634	2 843
Net financial items	-85	-73	-64	-66	-68	-65	-62	-261
Profit before tax	-22	185	383	974	573	464	571	2 582
Tax	-2	-61	-111	-633	-135	-135	-174	-1 077
Profit for the period	-24	124	271	341	438	329	397	1 505
Earnings per share, after dilution, SEK	-0.3	1.5	3.2	4.0	5.2	3.9	4.7	17.8
Net turnover								
Holmen Paper	2 517	2 547	2 525	2 798	2 556	2 461	2 530	10 345
Iggesund Paperboard	1 210	1 219	1 237	1 239	1 239	1 297	1 326	5 100
Holmen Timber	116	124	149	151	124	164	149	589
Holmen Skog	1 208	1 433	1 436	1 335	1 074	1 200	1 165	4 775
Holmen Energi	442	392	499	462	352	344	433	1 590
Intra-group sales	-902	-890	-972	-911	-708	-804	-815	-3 239
Group	4 591	4 826	4 875	5 073	4 637	4 662	4 787	19 159
Operating profit								
Holmen Paper	80	100	80	107	241	115	160	623
Iggesund Paperboard	127	61	116	100	115	178	206	599
Holmen Timber	-1	-2	23	37	35	43	32	146
Holmen Skog	150	152	151	192	145	209	155	702
Holmen Energi	33	58	125	73	40	45	114	272
Group central costs and other	-27	-49	-49	-27	66	-61	-34	-56
Items affecting comparability *	-298	-63	-	557	-	-	-	557
Group	64	257	446	1 039	642	529	634	2 843
Operating margin, % **								
Holmen Paper	3.2	3.9	2.7	3.6	9.4	4.7	6.3	5.9
Iggesund Paperboard	10.5	5.0	9.3	8.1	9.3	13.7	15.6	11.7
Holmen Timber	-2.0	-2.0	14.7	24.0	27.5	25.8	20.8	24.4
Group	7.5	6.4	8.9	9.4	13.8	11.3	13.2	11.9
Return on operating capital, % **								
Holmen Paper	3.2	4.0	3.2	3.7	8.2	3.9	5.5	5.3
Iggesund Paperboard	12.1	5.8	11.1	9.6	11.1	17.4	20.6	14.6
Holmen Timber	-1.3	-2.1	26.2	56.7	61.4	79.3	59.6	63.9
Holmen Skog	5.3	5.4	5.3	8.4	6.4	9.2	6.9	7.7
Holmen Energi	4.5	7.9	16.9	9.9	5.4	6.1	15.5	9.2
Group	5.1	4.5	6.4	6.9	9.3	7.7	9.4	8.3
Key figures								
Return on capital employed, % **	6.3	5.6	7.8	8.4	11.2	9.2	11.1	10.0
Return on equity, %	-0.6	3.0	6.4	8.1	10.6	8.2	9.7	9.2
Deliveries								
Newsprint and magazine paper, 1 000 tonnes	493	508	503	555	503	477	489	2 025
Paperboard, 1 000 tonnes	124	127	127	127	125	130	134	516
Sawn timber, 1 000 m ³	66	66	72	64	53	74	72	262

* Item affecting comparability in the third quarter of 2008 relates to a provision of costs for the closure of Wargön Mill of MSEK 298. The second quarter figure includes a cost of MSEK 115 for the closure of PM2 at Hallsta Paper Mill and income of MSEK 52, corresponding to the effects on the result of the fire at Braviken Paper Mill. Items affecting comparability of 2007 relate to a write-down of 1 603 within Holmen Paper, a reversed write-down of MSEK 60 within Holmen Timber, and a positive revaluation of forests by MSEK 2 100 within Holmen Skog.

** Excl. items affecting comparability.

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The Group

Full year review, MSEK	2007	2006	2005	2004	2003	2002	2001
Income statement							
Net turnover	19 159	18 592	16 319	15 653	15 816	16 081	16 655
Operating costs	-15 548	-14 954	-13 205	-12 570	-12 306	-12 205	-12 460
Depreciation according to plan	-1 337	-1 346	-1 167	-1 156	-1 166	-1 153	-1 126
Interest in earnings of associated companies	12	11	20	25	-6	-10	-3
Items affecting comparability *	557	-	-	-	-	-	-620
Operating profit	2 843	2 303	1 967	1 952	2 338	2 713	2 446
Net financial items	-261	-247	-233	-206	-212	-149	-152
Profit before tax	2 582	2 056	1 734	1 746	2 126	2 564	2 294
Tax	-1 077	-597	-478	-471	-675	-605	-108
Profit for the year	1 505	1 459	1 256	1 275	1 451	1 959	2 186
Operating profit by business area							
Holmen Paper	623	754	631	487	747	1 664	2 410
Iggesund Paperboard	599	752	626	809	1 001	818	455
Holmen Timber	146	80	13	5	18	-6	-79
Holmen Skog	702	643	537	586	516	450	455
Holmen Energi	272	197	301	178	193	-26	49
Group central costs	-56	-123	-141	-113	-137	-187	-224
Items affecting comparability *	557	-	-	-	-	-	-620
Group	2 843	2 303	1 967	1 952	2 338	2 713	2 446
Balance sheet							
Fixed assets	26 153	25 354	25 793	23 381	20 940	21 357	19 150
Current assets	6 549	6 138	5 709	5 149	4 743	4 922	5 366
Financial receivables	541	649	712	459	675	688	432
Total assets	33 243	32 141	32 214	28 989	26 358	26 967	24 948
Equity	16 932	16 636	16 007	15 635	15 366	15 185	14 072
Deferred tax liability	5 482	5 030	5 143	5 177	4 557	4 370	4 014
Financial liabilities	6 518	6 634	7 351	5 335	4 044	4 496	3 593
Operating liabilities	4 310	3 841	3 713	2 842	2 391	2 916	3 269
Total equity and liabilities	33 243	32 141	32 214	28 989	26 358	26 967	24 948
Cash flow							
Current operations	2 476	2 358	2 471	2 331	2 443	3 498	3 786
Investment activities	-1 315	-947	-3 029	-1 195	-726	-1 810	-1 669
Cash flow after capital expenditure	1 161	1 411	-558	1 136	1 717	1 688	2 117
Key ratios							
Return on capital employed, % **	10	10	9	10	12	16	18
Return on equity, %	9	9	8	8	10	14	16
Debt/equity ratio	0.35	0.36	0.41	0.31	0.22	0.25	0.22
Earnings per share, after dilution, SEK	17.8	17.2	14.8	15.1	17.5	23.6	26.4
Ordinary dividend, SEK	12	12	11	10	10	11	10
Extra dividend, SEK	-	-	-	-	30	-	-

* Items affecting comparability relate to a write-down of goodwill and tangible fixed assets of MSEK -1 603 within Holmen Paper, a reversed write-down of MSEK 60 within Holmen Timber, and a positive revaluation of forests by MSEK 2 100 within Holmen Skog, all of which were taken into the accounts in the fourth quarter of 2007.

** 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.

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Holmen in brief

Holmen is a forest products industry group with the capacity to produce 2.5 million tonnes of paper and paperboard per year. Europe, which accounts for some 90% of the turnover, is by far the largest market. Holmen's business is conducted through three product-oriented business areas and two raw material-oriented business areas.

Following the structural changes made in 2008 the business area **Holmen Paper** will manufacture printing paper for daily newspapers, magazines, directories, advertising matter and books at two Swedish mills and one Spanish mill. **Iggesund Paperboard** produces paperboard for packaging and graphic purposes at one Swedish and one English mill. **Holmen Timber** produces sawn timber at one Swedish sawmill.

Annual production capacity of the product-oriented business areas is 1 905 000 tonnes of printing paper, 590 000 tonnes of paperboard, and 340 000 cubic metres of sawn timber.

Holmen Skog manages the Group's one million hectares of forests and the annual volume harvested in company forests is some 2.5 million cubic metres. Holmen's annual wood consumption is some 5 million cubic metres. In a normal year **Holmen Energi** produces some 1 100 GWh of electric power at wholly and partly owned hydro power stations in Sweden. Over and above this some 500 GWh is generated at the mills. Holmen's annual power consumption is around 5 100 GWh.

Press and analysts conference and teleconference

In connection with the publication of the interim report for January-September 2008 a press and analysts conference will be held at 2.30 p.m. CET on Wednesday 12 November in **Aulan, Salén Konferens, Norrlandsgatan 15, Stockholm**. Magnus Hall, President and CEO, will present the report and answer questions. The conference can also be accessed via Holmen's website www.holmen.com and/or by telephone, in which case the call should be placed by no later than 2.25 p.m. CET on +46 (0)8 505 201 14 (Sweden) or +44 (0)20 7162 0177 (rest of Europe).

A teleconference will be held in English at 4.30 p.m. CET. It can be accessed via Holmen's website and/or by telephone on +44 (0) 20 7162 0125 (Europe) or +1 334 323 6203 (US). The call should be placed by no later than 4.25 p.m. CET.

Financial reporting and AGM in 2009:

5 February	Year-end Report for 2008
24 March	Annual General Meeting
7 May	Interim Report, January-March 2009
13 August	Interim Report, January-June 2009
4 November	Interim Report, January-September 2009

In its capacity as issuer, Holmen AB is releasing the information in this interim report January-September 2008 in accordance with Chapter 17 of the Swedish law (2007:528) regarding the securities market. The information was distributed to the media for publication at 12.15 p.m. CET on Wednesday 12 November 2008.