

Interim Report January-March 2008

MSEK	Quarter			Full year
	1-08	4-07	1-07	2007
Net turnover	4 875	5 073	4 787	19 159
Operating profit	446	1 039	634	2 843
Operating profit excl. items affecting comparability *	446	482	634	2 286
Profit after tax	271	341	397	1 505
Earnings per share, SEK	3.2	4.0	4.7	17.8
Return on equity, %	6.4	8.1	9.7	9.2

* Items affecting comparability relate to a write-down of fixed assets and a positive revaluation of forests of net MSEK 557 carried through in the fourth quarter of 2007.

- The Group's net turnover for January-March 2008 amounted to MSEK 4 875 (January-March 2007: 4 787).
- Profit after tax was MSEK 271 (397).
- Earnings per share amounted to SEK 3.2 (4.7). Return on equity was 6.4% (9.7).
- The operating profit was MSEK 446 (634). This result was adversely affected by lower newsprint prices and higher cost of wood.

The operating profit excluding items affecting comparability was MSEK 36 lower than during the fourth quarter of 2007.

- The demand for newsprint in Europe fell slightly during the first quarter. The price of newsprint fell. In Holmen Paper's case, the price was on average some 4% lower than in the first quarter of 2007, whereas deliveries rose by 3%.

The market situation for virgin fibre board in Europe weakened slightly during the first quarter. Iggesund's deliveries were 5% lower than during the corresponding period the previous year. Prices were stable.

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Holmen Paper MSEK	Quarter			Full year
	1-08	4-07	1-07	2007
Net turnover	2 525	2 798	2 530	10 345
Operating costs	-2 222	-2 464	-2 139	-8 808
Depreciation according to plan	-223	-226	-231	-914
Items affecting comparability *	-	-1 603	-	-1 603
Operating profit	80	-1 496	160	-980
<i>Operating profit excl. items affecting comparability *</i>	80	107	160	623
Capital expenditure	231	113	174	584
Operating capital	9 827	9 971	11 724	9 971
Operating margin, % **	3	4	6	6
Return on operating capital, % **	3	4	6	5
Production, 1 000 tonnes	523	523	514	2 034
Deliveries, 1 000 tonnes	503	555	489	2 025

* Items affecting comparability relate to write-down of goodwill of MSEK 569 and tangible fixed assets of MSEK 1 034 in the fourth quarter of 2007.

** Excl. items affecting comparability.

The market situation for newsprint in Europe was weak during the first quarter of 2008. Deliveries to Europe were 2% lower than in the corresponding period in 2007.

Deliveries of MF Magazine to Europe remained unchanged whilst deliveries of SC Paper to Europe rose by 1% and of coated paper by 2%.

Holmen Paper's deliveries rose by 3% in relation to the first quarter of 2007. Compared with the fourth quarter deliveries fell by 10%, mainly due to seasonal factors. As a result of reductions in the price of newsprint and MF Magazine the prices of Holmen Paper's products were on average some 4% lower than during the first quarter of 2007.

Holmen Paper's operating profit for January-March 2008 amounted to MSEK 80 (160). The deterioration in the result was due to lower selling prices, higher cost of wood, and a weak US dollar that had an impact on the profitability of sales to markets outside Europe. However, higher volumes had a favourable effect on the result.

Compared with the fourth quarter the operating profit declined by MSEK 27. The result was adversely affected by lower selling prices and higher energy costs whereas maintenance costs were seasonally lower.

The announced restructuring of Holmen Paper Hallsta is underway and negotiations are being held with the object of closing down one of the paper machines (PM2) on 1 November 2008. PM2 has a capacity of 110 000 tonnes per year and the aim, together with the transfer of production to other machines, is to reduce standard newsprint capacity by 150 000 tonnes. The cost of closing down PM2 is estimated at around MSEK 100, although no provision has yet been made for the future cost. In connection with these changes Holmen Paper intends to continue to grow within the strategic book paper product area.

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Iggesund Paperboard MSEK	Quarter			Full year
	1-08	4-07	1-07	2007
Net turnover	1 237	1 239	1 326	5 100
Operating costs	-1 029	-1 046	-1 031	-4 147
Depreciation according to plan	-92	-92	-89	-355
Operating profit	116	100	206	599
Capital expenditure	49	260	100	689
Operating capital	4 163	4 180	4 062	4 180
Operating margin, %	9	8	16	12
Return on operating capital, %	11	10	21	15
Production, paperboard, 1 000 tonnes	127	127	135	513
Deliveries, paperboard, 1 000 tonnes	127	127	134	516

The market situation for virgin fibre board in Europe weakened slightly during the first quarter. Deliveries from European producers to Europe were slightly lower than for the same period last year, while exports to markets outside Europe rose.

In Great Britain price increases have been announced for folding box board within the graphics and packaging board segments.

Iggesund's deliveries amounted to 127 000 tonnes, which was 5% lower than for the corresponding period last year. Further destocking in certain customer segments contributed to the weak volume trend. Compared with the fourth quarter of 2007 deliveries remained unchanged and prices were stable.

Iggesund's operating profit for January-March 2008 amounted to MSEK 116 (206). The decline is mainly due to lower deliveries and higher wood prices. The weakening US dollar and the running-in of the rebuilt board machine at Iggesunds Bruk had an adverse effect on the result.

The result was MSEK 16 higher than for the fourth quarter of 2007.

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Holmen Timber		Quarter		Full year
MSEK	1-08	4-07	1-07	2007
Net turnover	149	151	149	589
Operating costs	-118	-108	-112	-420
Depreciation according to plan	-8	-6	-6	-23
Item affecting comparability *	-	60	-	60
Operating profit	23	97	32	206
<i>Operating profit excl. item affecting comparability *</i>	23	37	32	146
Capital expenditure	6	39	6	63
Operating capital	356	345	215	345
Operating margin, % **	15	24	21	24
Return on operating capital, % **	26	57	60	64
Production, 1 000 m ³	73	73	71	272
Deliveries, 1 000 m ³	72	64	72	262

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

** Excl. item affecting comparability.

The market situation for sawn timber continued to weaken during the first quarter of 2008. Producer stocks were high and deliveries fell on most markets. Prices have continued to decline.

Holmen Timber's operating profit for January-March 2008 amounted to MSEK 23 (32). The deterioration in the result was due to higher saw log costs.

Compared with the fourth quarter of 2007 the operating profit declined by MSEK 14 as a result of lower prices although deliveries increased.

The project of the new sawmill at the Braviken paper mill in Norrköping is continuing.

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Holmen Skog		Quarter		Full year
MSEK	1-08	4-07	1-07	2007
Net turnover	1 436	1 335	1 165	4 775
Operating costs	-1 259	-1 118	-1 016	-4 136
Depreciation according to plan	-6	-7	-6	-26
Earnings from operations	172	210	143	613
Change in value of forests	-21	-18	12	89
Item affecting comparability *	-	2 100	-	2 100
Operating profit	151	2 292	155	2 802
<i>Operating profit excl. item affecting comparability *</i>	151	192	155	702
Capital expenditure	8	63	7	79
Operating capital	11 317	11 264	9 041	11 264
Return on operating capital, % **	5	8	7	8
Harvesting company forests, 1 000 m ³	534	728	533	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.

Wood prices in Sweden were stable during the first quarter, with the exception of some price increases of pulpwood in Central Sweden.

Holmen Skog's operating profit for January-March 2008 amounted to MSEK 151 (155). Earnings from operations (the result before change in value of forests) increased by MSEK 29 to MSEK 172 as a consequence of higher wood prices.

Biological assets (forests) are valued at fair value in accordance with IAS 41. The change in value, i.e. the increase in the value of the forests less harvesting during the period, amounted to negative MSEK 21 (positive 12).

Compared with the fourth quarter of 2007 earnings from operations declined by MSEK 38, which is mainly explained by seasonally lower harvesting.

Holmen Energi		Quarter		Full year
MSEK	1-08	4-07	1-07	2007
Net turnover	499	462	433	1 590
Operating costs	-369	-384	-314	-1 300
Depreciation according to plan	-4	-4	-4	-17
Operating profit	125	73	114	272
Capital expenditure	11	7	2	14
Operating capital	2 968	2 960	2 936	2 960
Return on operating capital, %	17	10	16	9
Production of hydro power, GWh	388	276	396	1 193

Holmen Energi's operating profit for January-March 2008 amounted to MSEK 125 (114). Production was normal for the time of year.

In relation to the fourth quarter of 2007, the operating profit increased by MSEK 52 as a consequence of seasonally higher production.

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Net financial items and financing

Net financial costs for January-March 2008 amounted to MSEK 64 (costs 62). The change is due to higher market interest rates.

The cash flow from current operations amounted to MSEK 526 and the cash flow absorbed by investment activities was MSEK 302.

Since the beginning of the year the Group's financial net debt has declined by MSEK 154 to MSEK 5 823. The debt/equity ratio was 0.34 and the equity ratio was 51%.

Financial liabilities amounted to MSEK 6 537, of which MSEK 3 766 was short term. Liquid funds and financial receivables amounted to MSEK 714. The Group has unutilised long-term committed credit facilities of some MSEK 5 600.

After the end of the quarter the Annual General Meeting resolved in favour of paying a dividend of MSEK 1 017, which has been paid out to the shareholders. The dividend was not booked as a debt at the end of the quarter.

Tax

The Group's tax charge for January-March 2008 amounted to MSEK 111 (charge 174), which was equivalent to 29% of the pre-tax profit.

Hedging of exchange rates and electricity prices

The result of currency hedges was a profit of MSEK 19 (loss 13), which is stated in the operating result. For the remainder of 2008 around 95% of the Group's estimated flows in Euro are hedged at an average exchange rate of 9.25 and for 2009 some 75% of the flows are hedged at an average exchange rate of 9.36. The flows in sterling and US dollar for the coming four months are hedged.

For the period of 2008-2012 the price of 90-95% of the Group's estimated net consumption of electricity in Sweden is hedged and for the period 2013-2015 some 75 %.

Capital expenditure

The Group's capital expenditure during January-March amounted to MSEK 305 (290). Depreciation according to plan was MSEK 334 (336).

Employees

The average number of employees in the Group was 4 802 (4 889).

Incentive scheme

The Annual General Meeting on 2 April 2008 resolved in favour of the Board's proposal to introduce an incentive scheme for employees of the Holmen Group, whereby employees will be invited to acquire at market price call options on Series "B" shares in Holmen. Holmen's undertaking within the scheme will be secured via buy-back of its own shares. The maximum number of options issued will correspond to some 1.2% of the total number of shares in issue and to around 0.3% of the number of votes in Holmen AB.

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. The Board has decided to utilise the mandate to secure the company's undertaking pursuant to the incentive scheme (see above) by buying back a maximum of one million Series "B" shares in the company. The share buy-backs are expected mainly to be effected during May-June 2008.

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. Apart from the risks and uncertainty factors described on pages 26-27 and in Note 26 in Holmen's annual report for 2007, it is judged that no new risks or uncertainties have emerged.

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 8 May 2008
Holmen AB (publ)

Magnus Hall
President and CEO

The report has not been reviewed by the company's auditors.
Interim Report for January-June 2008 will be published on 13 August.

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Accounting principles

The interim report for the Group is made up in accordance with IAS 34 Interim Reporting and the Annual Accounts Act and for the parent company it is made up in accordance with the Annual Accounts Act and RFR 2.1 Accounting for Legal Entities. 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			Full year
	1-08	4-07	1-07	2007
Net turnover	4 875	5 073	4 787	19 159
Other operating income	151	192	135	642
Change in value of biological assets	-21	2 082	12	2 189
Change in inventory of finished products and work in progress	89	-97	120	62
Raw materials, goods for resale and consumables	-2 810	-2 642	-2 612	-10 146
Personnel costs	-666	-699	-663	-2 664
Other operating costs	-850	-997	-810	-3 531
Depreciation according to plan	-334	-337	-336	-1 337
Write-downs	-	-1 543	-	-1 543
Interest in earnings of associated companies	12	7	1	12
Operating profit	446	1 039	634	2 843
Financial income	3	5	4	17
Financial costs	- 67	- 71	- 66	-279
Profit before tax	383	974	571	2 582
Tax	-111	-633	-174	-1 077
Profit for the period	271	341	397	1 505
Earnings per share, SEK	3.2	4.0	4.7	17.8
Average number of shares (million)	84.8	84.8	84.8	84.8
Operating margin, % *	8.9	9.4	13.2	11.9
Return on capital employed, % *	7.8	8.4	11.1	10.0
Return on equity, %	6.4	8.1	9.7	9.2

Earnings per share before and after dilution are the same since there are no outstanding warrants or convertibles that can cause dilution.

* Excl. items affecting comparability.

Account of stated income and costs, MSEK	January-March		Full year
	2008	2007	2007
Income and costs stated direct in equity			
Cash flow hedges			
Revaluation of derivatives stated in equity	44	-161	-209
Brought forward from equity to the income statement	-27	-2	-34
Brought forward from equity to fixed assets	0	1	2
Actuarial revaluation of pension liability	-89	8	61
Translation difference on foreign operation	-149	79	-29
Hedge of currency risk in foreign operation	61	-46	-33
Tax attributable to items stated direct in equity	1	55	51
Total stated direct in equity	-159	-65	-192
Profit for the period stated in the income statement	271	397	1 505
Total stated income and costs	112	332	1 314
Other change in equity			
Dividend paid to the parent company's shareholders	-	-1 017	-1 017

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The Group

Balance sheet, MSEK	2008	2007
	31 March	31 December
ASSETS		
Fixed assets		
Intangible fixed assets	124	42
Tangible fixed assets	12 873	12 984
Biological assets	11 069	11 073
Shares in associated companies	1 754	1 745
Other shares and participations	7	7
Long-term financial receivables	109	108
Deferred tax receivables	300	301
Total fixed assets	26 236	26 261
Current assets		
Inventories	3 105	3 063
Short-term operating receivables	3 358	3 485
Short-term financial receivables	30	39
Liquid funds	575	394
Total current assets	7 068	6 982
Total assets	33 305	33 243
EQUITY AND LIABILITIES		
Equity	17 044	16 932
Long-term liabilities		
Long-term financial liabilities	2 470	2 452
Deferred tax liabilities	5 512	5 482
Pension provisions	301	247
Other provisions	675	658
Total long-term liabilities	8 959	8 840
Short-term liabilities		
Short-term financial liabilities	3 766	3 819
Operating liabilities	3 535	3 652
Total short-term liabilities	7 302	7 471
Total liabilities	16 260	16 311
Total equity and liabilities	33 305	33 243
Debt/equity ratio	0.34	0.35
Equity ratio, %	51.2	50.9
Operating capital	28 080	28 090
Capital employed	22 868	22 909
Financial net debt	5 823	5 977
Pledged assets	112	100
Contingent liabilities	921	915

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The Group

Cash flow analysis, MSEK	January-March		Full year
	2008	2007	2007
Current operations			
Profit before tax	383	571	2 582
Adjustments for items not included in cash flow *	308	293	629
Paid income tax	-104	-155	-390
Cash flow from current operations before changes in working capital	586	710	2 821
Cash flow from changes in working capital			
Change in inventories	-41	-131	-457
Change in operating receivables	82	-192	-213
Change in operating liabilities	-101	-53	325
Cash flow from current operations	526	334	2 476
Investment activities			
Acquisition of fixed assets	-305	-290	-1 434
Sale of fixed assets	3	4	119
Cash flow from investment activities	-302	-286	-1 315
Financing activities			
Change in financial liabilities and receivables	-42	78	-236
Dividend paid to the parent company's shareholders	-	-	-1 017
Cash flow from financing activities	-42	78	-1 253
Cash flow for the period	182	126	-91
Opening liquid funds	394	484	484
Currency difference in liquid funds	-1	-2	1
Closing liquid funds	575	609	394

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

Change in financial net debt, MSEK	January-March		Full year
	2008	2007	2007
Opening financial net debt	-5 977	-5 985	-5 985
Cash flow			
Current operations	526	334	2 476
Investment activities	-302	-286	-1 315
Dividend paid	-	-	-1 017
Actuarial revaluation of pension provision	-89	8	61
Dividend approved but not paid out	-	-1 017	-
Currency effects and changes in fair value	19	-103	-197
Closing financial net debt	-5 823	-7 049	-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

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Parent company

Income statement, MSEK	Quarter			Full year 2007
	1-08	4-07	1-07	
Operating income	3 738	3 958	3 995	14 735
Operating costs	-3 547	-3 680	-3 613	-13 345
Operating profit	192	277	383	1 390
Net financial items *	18	-1 607	- 57	-1 517
Profit after net financial items	210	-1 330	325	-127
Appropriations	-98	318	-143	-97
Profit before tax	112	-1 012	182	-224
Tax	-37	-128	-56	-324
Profit for the period	75	-1 139	126	-548

* Net financial items include result from hedging equity in foreign subsidiaries. In the Group, this result is stated directly against equity. Net financial items for the fourth quarter of 2007 and full year 2007 include write-down of shares of MSEK 1 508.

Balance sheet, MSEK	2008	2007
	31 March	31 December
Fixed assets	18 462	18 439
Current assets	7 090	6 881
Total assets	25 552	25 321
Equity	10 610	10 435
Untaxed reserves	2 793	2 696
Provisions	922	911
Liabilities	11 227	11 279
Total equity and liabilities	25 552	25 321
Pledged assets	6	6
Contingent liabilities	791	790

The parent company's investments in fixed assets (excluding shares) amounted to MSEK 6 (9) for the first quarter 2008.

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The Group

Quarterly figures, MSEK	2008	2007				
	Q1	Q4	Q3	Q2	Q1	Full year
Income statement						
Net turnover	4 875	5 073	4 637	4 662	4 787	19 159
Operating costs	-4 107	-4 261	-3 666	-3 802	-3 818	-15 548
Depreciation according to plan	-334	-337	-332	-332	-336	-1 337
Interest in earnings of associated companies	12	7	3	1	1	12
Items affecting comparability *	-	557	-	-	-	557
Operating profit	446	1 039	642	529	634	2 843
Net financial items	-64	-66	-68	-65	-62	-261
Profit before tax	383	974	573	464	571	2 582
Tax	-111	-633	-135	-135	-174	-1 077
Profit for the period	271	341	438	329	397	1 505
Earnings per share, SEK	3,2	4.0	5.2	3.9	4.7	17.8
Net turnover						
Holmen Paper	2 525	2 798	2 556	2 461	2 530	10 345
Iggesund Paperboard	1 237	1 239	1 239	1 297	1 326	5 100
Holmen Timber	149	151	124	164	149	589
Holmen Skog	1 436	1 335	1 074	1 200	1 165	4 775
Holmen Energi	499	462	352	344	433	1 590
Intra-group sales	-972	-911	-708	-804	-815	-3 239
Group	4 875	5 073	4 637	4 662	4 787	19 159
Operating profit						
Holmen Paper	80	107	241	115	160	623
Iggesund Paperboard	116	100	115	178	206	599
Holmen Timber	23	37	35	43	32	146
Holmen Skog	151	192	145	209	155	702
Holmen Energi	125	73	40	45	114	272
Group central costs and other	-49	-27	66	-61	-34	-56
Items affecting comparability *	-	557	-	-	-	557
Group	446	1 039	642	529	634	2 843
Operating margin, % **						
Holmen Paper	2.7	3.6	9.4	4.7	6.3	5.9
Iggesund Paperboard	9.3	8.1	9.3	13.7	15.6	11.7
Holmen Timber	14.7	24.0	27.5	25.8	20.8	24.4
Group	8.9	9.4	13.8	11.3	13.2	11.9
Return on operating capital, % **						
Holmen Paper	3.2	3.7	8.2	3.9	5.5	5.3
Iggesund Paperboard	11.1	9.6	11.1	17.4	20.6	14.6
Holmen Timber	26.2	56.7	61.4	79.3	59.6	63.9
Holmen Skog	5.3	8.4	6.4	9.2	6.9	7.7
Holmen Energi	16.9	9.9	5.4	6.1	15.5	9.2
Group	6.4	6.9	9.3	7.7	9.4	8.3
Key figures						
Return on capital employed, %	7.8	8.4	11,2	9.2	11.1	10.0
Return on equity, %	6.4	8.1	10,6	8.2	9.7	9.2
Deliveries						
Newsprint and magazine paper, 1 000 tonnes	503	555	503	477	489	2 025
Paperboard, 1 000 tonnes	127	127	125	130	134	516
Sawn timber, 1 000 m ³	72	64	53	74	72	262

* 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.

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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, 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.

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.

Interim Report January-March 2008

Holmen in brief

Holmen is a forest products industry group with the capacity to produce 2.8 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.

The business area **Holmen Paper** produces printing paper for daily newspapers, magazines, directories, advertising matter and books at three 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 2 185 000 tonnes of printing paper, 590 000 tonnes of paperboard, and 300 000 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-March 2008 a press and analysts conference will be held at 10.30 a.m. CEST on Thursday 8 May in **Aulan, Salén Konferens, Norrlandsgatan 15, Stockholm**. 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 10.25 a.m. CEST on +46 (0)8 505 201 14 (Sweden) or +44 (0)20 7162 0125 (rest of Europe).

A teleconference will be held in English at 4.30 p.m. CEST. 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. CEST.

Financial reports during the remainder of 2008

13 August	Interim Report, January–June
12 November	Interim Report, January–September
5 February 2009	Year-end Report for 2008

In its capacity as issuer, Holmen AB is releasing the information in this interim report January-March 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 8.30 a.m. CEST on Thursday 8 May 2008.