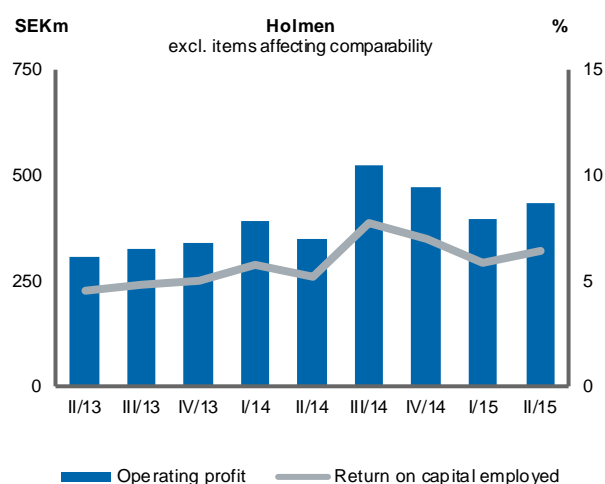
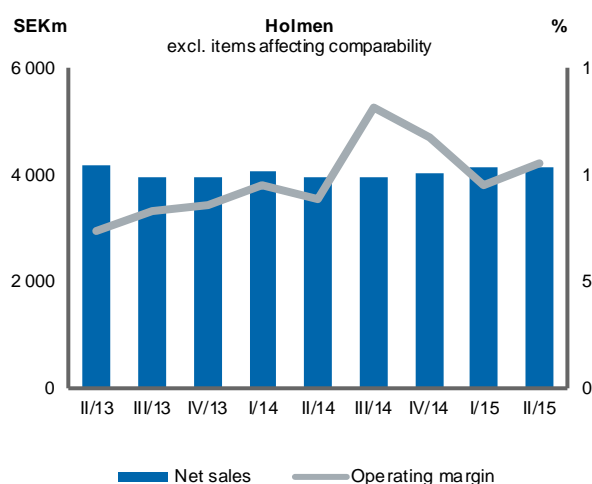


## Holmen's interim report January–June 2015

SEKm	Quarter			January-June		Full year 2014
	2-15	1-15	2-14	2015	2014	
Net turnover	<b>4 139</b>	4 154	3 946	<b>8 293</b>	8 027	15 994
Operating profit excl. items affecting comparability	<b>435</b>	396	351	<b>831</b>	740	1 734
Operating profit	<b>435</b>	396	351	<b>831</b>	740	1 284
Profit after tax	<b>322</b>	298	250	<b>620</b>	526	907
Earnings per share, SEK	<b>3.8</b>	3.5	3.0	<b>7.4</b>	6.3	10.8
Return on equity, %	<b>6.1</b>	5.6	4.8	<b>5.8</b>	5.0	4.3
Cash flow before investments	<b>574</b>	522	484	<b>1 097</b>	1 024	2 176
Debt/equity ratio	<b>0.29</b>	0.26	0.31	<b>0.29</b>	0.31	0.28

- Operating profit for January–June 2015 was SEK 831 million (January–June 2014: SEK 740 million). The improvement in earnings was due to reduced costs and increased paperboard sales. Prices for printing paper and sawn timber decreased but were partly offset by a weaker Swedish krona.
- Compared with the first quarter, operating profit increased by SEK 39 million to SEK 435 million. Hydro power earnings decreased seasonally. First-quarter earnings were negatively affected by costs relating to shutdowns for maintenance and rebuilding.
- Profit after tax for January–June amounted to SEK 620 million (526), which corresponds to earnings per share of SEK 7.4 (6.3). Return on equity was 5.8 per cent (5.0).



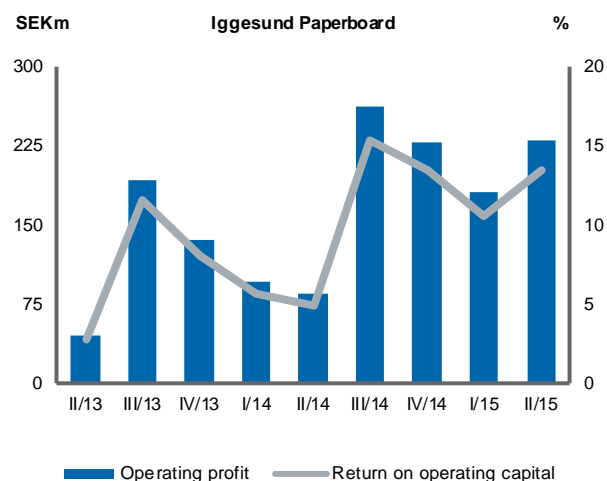
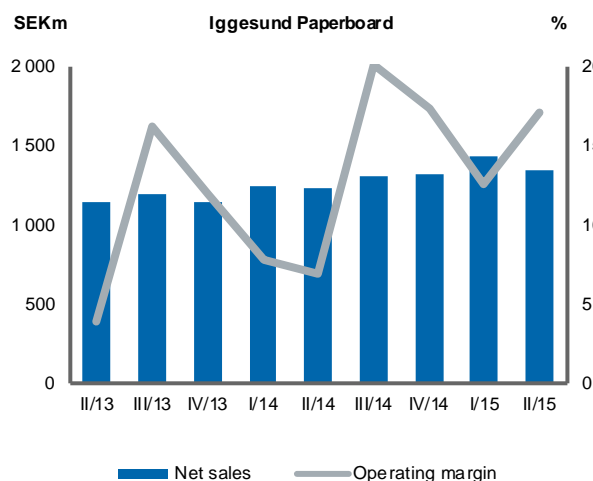
Iggesund Paperboard SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Net sales	1 348	1 431	1 237	2 778	2 483	5 113
Operating costs	-992	-1 126	-1 031	-2 119	-2 060	-3 951
<b>EBITDA</b>	<b>355</b>	304	206	<b>659</b>	423	1 161
Depreciation and amortisation according to plan	-125	-124	-121	-248	-240	-487
<b>Operating profit</b>	<b>231</b>	180	86	<b>411</b>	183	674
Investments	65	104	84	168	214	288
Operating capital	6 849	6 838	6 902	6 849	6 902	6 790
EBITDA margin, %	26	21	17	24	17	23
Operating margin, %	17	13	7	15	7	13
Return on operating capital, %	13	11	5	12	5	10
Production, paperboard, '000 tonnes	132	118	118	250	240	500
Deliveries, paperboard, '000 tonnes	122	129	122	251	246	493

The market for SBB and FBB was stable in the second quarter. Deliveries to Europe from European producers increased by 3 per cent in the first half-year compared with the same period last year.

Iggesund Paperboard's deliveries amounted to 251 000 tonnes from January to June, which was a 2 per cent increase compared with the same period last year.

Operating profit for January–June was SEK 411 million (183). The improvement was due to reduced production costs, higher volumes and a weaker Swedish krona.

Compared with the first quarter, profit increased by SEK 51 million to SEK 231 million. First-quarter earnings were negatively affected by SEK 60 million relating to maintenance shutdown at the mill in Workington.



Holmen Paper SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Net sales	1 602	1 447	1 490	3 049	3 062	6 247
Operating costs	-1 472	-1 373	-1 304	-2 845	-2 726	-5 522
<b>EBITDA</b>	<b>130</b>	74	186	<b>204</b>	336	725
Depreciation and amortisation according to plan	-147	-147	-146	-294	-291	-584
<b>Operating profit</b>	<b>-17</b>	-73	40	<b>-90</b>	45	141
Investments	67	147	95	214	191	331
Operating capital	4 662	4 674	4 938	4 662	4 938	4 666
EBITDA margin, %	8	5	12	7	11	12
Operating margin, %	-1	-5	3	-3	1	2
Production, '000 tonnes	337	308	322	646	662	1 325
Deliveries, '000 tonnes	346	306	311	652	641	1 305

Demand for printing paper in Europe decreased by 6 per cent in the first half-year compared with the same period last year. Selling prices decreased slightly in the second quarter.

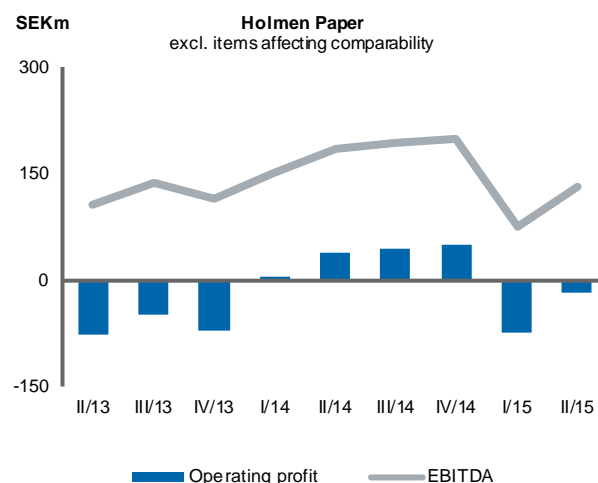
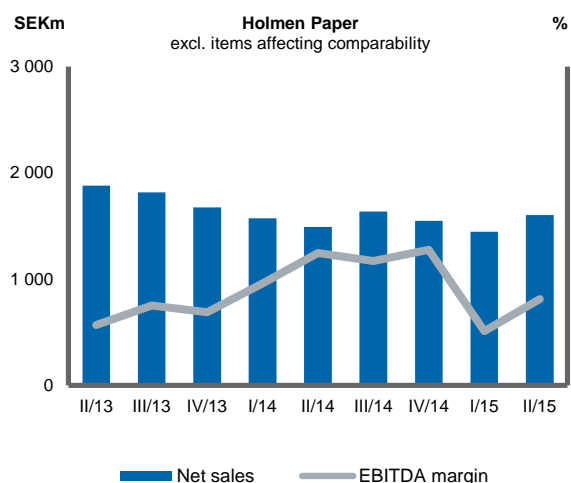
Holmen Paper's deliveries amounted to 652 000 tonnes from January to June, which was 2 per cent higher compared with the same period last year. Magazine and book paper constituted 60 per cent of deliveries.

Operating profit for January–June was SEK -90 million (45). The decrease in profit was due to lower selling prices, as well as costs and production losses from the rebuilding of a paper machine and the closure of a recovered paper line at the mill in Braviken. This was partly offset by a weaker Swedish krona.

Compared with the first quarter, operating profit improved by SEK 56 million to SEK -17 million. First-quarter earnings were affected in the amount of SEK -70 million from rebuilding shutdown and the closure of a recovered paper line. Lower selling prices had a negative impact on the second quarter.

The second quarter saw the launch of a new SC product, Holmen UNIQ, which is produced by the rebuilt paper machine in Braviken. The aim is to gradually switch this paper machine's production from newsprint to the new product.

There will be a week-long maintenance shutdown at Hallsta paper mill in the third quarter.



Holmen Timber SEKm	Quarter			January-June	Full year	
	2-15	1-15	2-14	2015	2014	2014
Net sales	378	339	367	716	724	1 352
Operating costs	-352	-312	-318	-664	-635	-1 192
<b>EBITDA</b>	<b>26</b>	27	49	<b>52</b>	90	160
Depreciation and amortisation according to plan	-19	-19	-31	-38	-61	-123
<b>Operating profit excl. items affecting comp.</b>	<b>7</b>	7	18	<b>14</b>	28	37
Items affecting comparability*	-	-	-	-	-	-450
<b>Operating profit</b>	<b>7</b>	7	18	<b>14</b>	28	-413
Investments	32	5	10	37	15	55
Operating capital	907	918	1 361	907	1 361	901
EBITDA margin, %**	7	8	13	7	12	12
Operating margin, %**	2	2	5	2	4	3
Production, '000 m <sup>3</sup>	180	197	188	377	383	742
Deliveries, '000 m <sup>3</sup>	208	188	196	396	391	725

\* Items affecting comparability refers to an impairment loss of SEKm -450 in Q4 2014

\*\* Excluding items affecting comparability

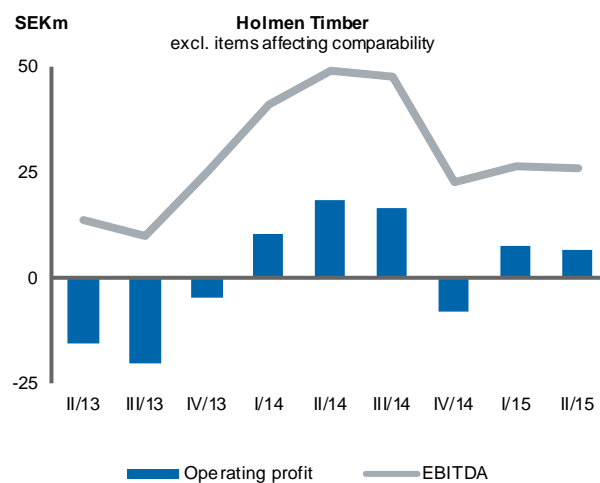
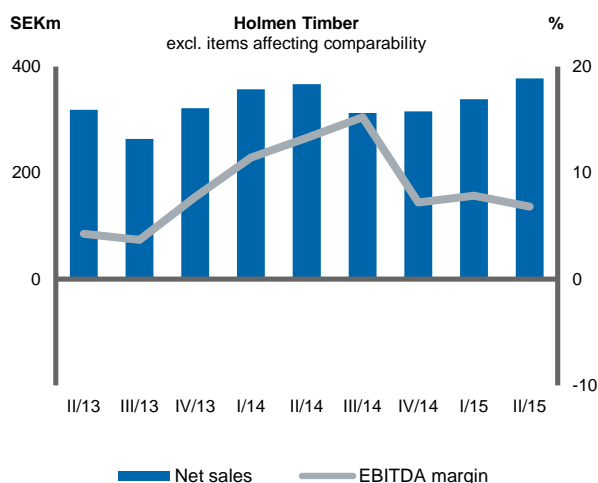
The supply of sawn timber in Europe remained high in the second quarter and, despite seasonally strong demand, selling prices decreased slightly.

Holmen Timber's deliveries amounted to 396 000 cubic metres in the first half-year, which was a 1 per cent increase compared with the same period last year.

Operating profit for January–June was SEK 14 million (28). The decrease in earnings was due to lower selling prices, which were partly offset by a weaker Swedish krona. Deprecation was SEK 23 million lower as a result of the impairment made in the fourth quarter of 2014.

Operating profit was unchanged compared with the first quarter, at SEK 7 million.

Production at Iggesund Sawmill will be suspended for a month during the third quarter during rebuilding work to increase capacity by 15 per cent.

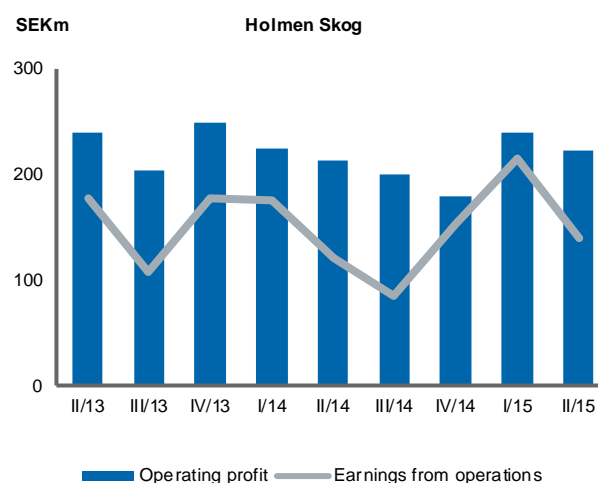
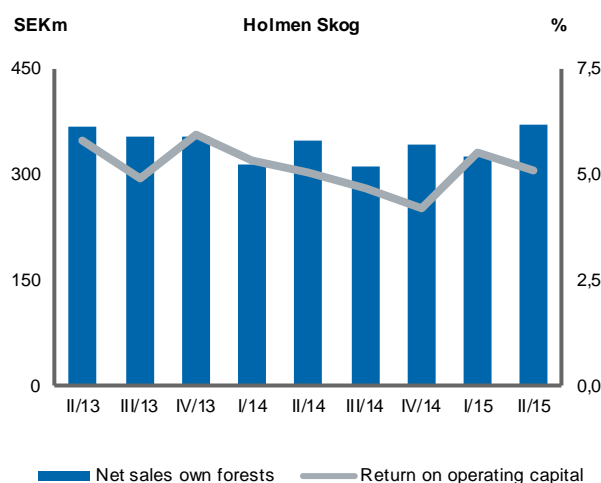


Holmen Skog SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Net sales	1 403	1 503	1 435	2 906	2 929	5 641
<i>of which from own forests</i>	370	325	347	694	661	1 314
Operating costs	-1 257	-1 281	-1 307	-2 538	-2 620	-5 077
Depreciation and amortisation according to plan	-7	-6	-7	-13	-13	-29
<b>Earnings from operations</b>	<b>139</b>	216	121	<b>355</b>	296	535
Change in value of forests	82	23	92	105	141	282
<b>Operating profit</b>	<b>222</b>	239	213	<b>460</b>	437	817
Investments	6	4	5	11	25	86
Operating capital	17 387	17 381	16 921	17 387	16 921	17 340
Return on operating capital, %	5	5	5	5	5	5
Harvesting company forests, '000 m <sup>3</sup>	917	820	871	1 737	1 660	3 297

Demand for logs and pulpwood in Sweden was normal in the second quarter. Selling prices were largely unchanged.

Compared with the first quarter, earnings from operations decreased by SEK 77 million to SEK 139 million as a result of seasonally higher silviculture costs.

Holmen Skog's earnings from operations for January–June amounted to SEK 355 million (296). The improvement in earnings was due to higher harvesting and lower costs for handling storm fellings. Operating profit, which includes a change in value of SEK 105 million, totalled SEK 460 million (437).



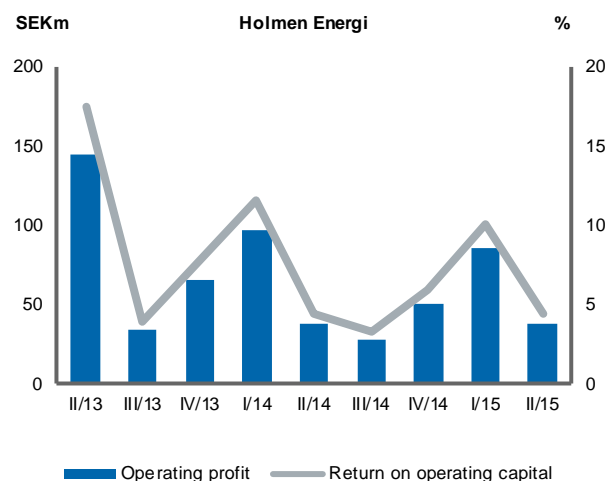
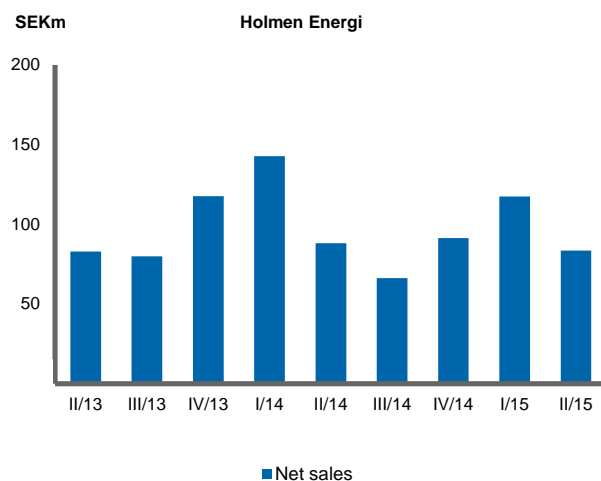
Holmen Energi SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Net sales*	83	117	88	201	231	389
Operating costs	-40	-26	-46	-67	-87	-156
Depreciation and amortisation according to plan	-5	-5	-5	-11	-10	-21
<b>Operating profit</b>	<b>38</b>	86	37	<b>123</b>	134	212
Investments	-2	5	8	3	17	32
Operating capital	3 379	3 429	3 394	3 379	3 394	3 401
Return on operating capital, %	4	10	4	7	8	6
Production hydro and wind power, GWh	366	377	278	743	655	1 113

\* Sales from wholly and partly owned power plants

Holmen Energi's operating profit for January–June 2015 amounted to SEK 123 million (134). Production was around 30 per cent higher than usual, but earnings decreased as a result of low electricity prices.

Operating profit was SEK 38 million, which was SEK 48 million lower than in the first quarter. Production was significantly higher than usual, but electricity prices were low.

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



**Net financial items and financing**

Net financial items for January–June totalled SEK -52 million (-73). Borrowing costs fell to an average of 1.7 per cent (2.4).

Cash flow from operating activities totalled SEK 1 097 million. Cash flow from investing activities was SEK -425 million. SEK 840 million in dividends was paid in the second quarter.

Since year-end, the Group's net financial debt has increased by SEK 132 million to SEK 6 040 million. At the end of the second quarter, the debt/equity ratio was 0.29 and the equity/assets ratio 57 per cent. Financial liabilities including pension provisions totalled SEK 6 278 million, SEK 3 147 million of which was current liabilities. Cash, cash equivalents and financial receivables totalled SEK 238 million. The Group has unused long-term contractually agreed credit facilities of SEK 4 258 million, of which SEK 570 million mature in 2017 and SEK 3 688 million mature in 2020.

**Tax**

Recognised tax for January–June amounted to SEK -159 million (-141). Recognised tax as a proportion of profit before tax was 20 (21) per cent.

**Equity**

In January–June, the Group's equity increased by SEK 13 million to SEK 20 982 million. Profit for the period totalled SEK 620 million. A dividend of SEK 840 million was paid. In addition, other comprehensive income totalled SEK 233 million.

**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 -56 million (-32). The market value of currency hedges not yet recognised as income amounted to SEK 44 million at the end of the quarter.

The weaker Swedish krona had a positive effect of SEK 250 million on consolidated operating profit in the first half of the year compared with the same period in 2014. There was a positive effect of SEK 40 million on second-quarter operating profit compared with the first quarter. For the remainder of 2015, 90 per cent of expected flows in EUR/SEK are hedged at an average of 9.25 and for 2016, 70 per cent are hedged at an average of 9.35. For other currencies, approximately 4 months of flows are hedged. Calculated on the basis of existing hedges and the exchange rates at the turn of the quarter (euro: 9.2, US dollar: 8.2 and sterling: 13.0), exchange rate differences are expected to have a positive impact of approximately SEK 400 million on consolidated operating profit for 2015 compared with 2014. Calculated in a corresponding way, currency is estimated to have a marginal effect on earnings in the third quarter compared with the second quarter.

Prices for the Group's estimated net consumption of electricity in Sweden for the remainder of 2015 are fully

hedged. For 2016–2018, 80-90 per cent has been hedged while for 2019–2021 40 per cent has been hedged.

**Investments**

Cash flow from investing activities for January–June was SEK -425 million (-499). Scheduled depreciation and amortisation totalled SEK 617 million (626).

**Personnel**

The average number of employees (full-time equivalents) in the Group was 3 250 (3 352). The reduction is mainly attributable to cutbacks in Holmen Paper and Iggesund Paperboard.

**Share buy-backs**

At the 2015 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 owns 0.9 per cent of all shares outstanding.

**Dividend**

Holmen's Annual General Meeting 2015 resolved in favour of paying a dividend of SEK 10 (9) per share. The total dividend of SEK 840 million was paid on 23 April.

**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 2014, pages 32–35 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**

This report has been prepared in accordance with the Swedish Annual Accounts Act and Securities Market Act, and, for the Group, in accordance with IAS 34 Interim Financial Reporting. The parent company and the Group's accounting policies are unchanged compared with the latest published annual report, with the exception of new IFRIC 21 Levies, which means that property tax liability is recognised in full on January 1 of each year instead of recording the liability as the cost is recognised in profit or loss. The change has not resulted in any effect on amounts or information in this interim report. 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 which affects the parent company and Group companies.

Stockholm, 13 August 2015  
Holmen AB (publ)

**Fredrik Lundberg**

Chairman

**Lars G Josefsson**

Board member

**Göran Lundin**

Board member

**Carl Bennet**

Board member

**Carl Kempe**

Deputy Chairman

**Henrik Sjölund**

Board member and  
Chief Executive Officer

**Steewe Björklundh**

Board member

**Louise Lindh**

Board member

**Henriette Zeuchner**

Board member

**Kenneth Johansson**

Board member

**Ulf Lundahl**

Board member

**Tommy Åsenbrygg**

Board member

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

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



## The Group

Income statement, SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Net sales	4 139	4 154	3 946	8 293	8 027	15 994
Other operating income	233	259	233	492	460	1 021
Change in inventories	-53	-75	-47	-129	-52	83
Raw materials and consumables	-2 192	-2 200	-2 091	-4 392	-4 353	-8 713
Staff costs	-613	-591	-577	-1 204	-1 159	-2 268
Other operating costs	-850	-864	-874	-1 714	-1 674	-3 393
Depreciation and amortisation according to plan	-309	-308	-314	-617	-626	-1 265
Impairment losses	-	-	-	-	-	-450
Change in value of biological assets	82	23	92	105	141	282
Profit from investments in associates and joint ventures	-2	-2	-16	-4	-23	-7
<b>Operating profit</b>	<b>435</b>	<b>396</b>	<b>351</b>	<b>831</b>	<b>740</b>	<b>1 284</b>
Finance income	0	0	2	0	2	1
Finance costs	-25	-28	-38	-53	-75	-149
<b>Profit before tax</b>	<b>410</b>	<b>368</b>	<b>315</b>	<b>778</b>	<b>667</b>	<b>1 137</b>
Tax	-88	-70	-66	-159	-141	-230
<b>Profit for the period</b>	<b>322</b>	<b>298</b>	<b>250</b>	<b>620</b>	<b>526</b>	<b>907</b>
Earnings per share, SEK	3.8	3.5	3.0	7.4	6.3	10.8
Operating margin, % *	10.5	9.5	8.9	10.0	9.2	10.8
Return on capital employed, % *	6.4	5.9	5.2	6.2	5.5	6.4
Return on equity, %	6.1	5.6	4.8	5.8	5.0	4.3

\* Excl. items affecting comparability.

Statement of comprehensive income, SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
<b>Profit for the period</b>	<b>322</b>	<b>298</b>	<b>250</b>	<b>620</b>	<b>526</b>	<b>907</b>
<b>Other comprehensive income</b>						
Revaluations of defined benefit pension plans	-12	85	24	73	26	-170
Tax attributable to items that will not be reclassified to profit for the period	2	-17	-5	-15	-5	34
<b>Items that will not be reclassified to profit for the period</b>	<b>-10</b>	<b>68</b>	<b>19</b>	<b>58</b>	<b>21</b>	<b>-137</b>
Cash flow hedging	56	48	-36	104	-109	-226
Translation difference on foreign operation	12	85	154	97	186	355
Hedging of currency risk in foreign operation	4	-5	-37	-1	-45	-101
Tax attributable to items that will be reclassified to profit for the period	-12	-13	16	-25	34	72
<b>Items that will be reclassified to profit for the period</b>	<b>60</b>	<b>115</b>	<b>97</b>	<b>175</b>	<b>65</b>	<b>100</b>
<b>Total other comprehensive income after tax</b>	<b>51</b>	<b>183</b>	<b>116</b>	<b>233</b>	<b>86</b>	<b>-37</b>
<b>Total comprehensive income</b>	<b>373</b>	<b>480</b>	<b>366</b>	<b>853</b>	<b>612</b>	<b>870</b>

Change in equity, SEKm	January-June	
	2015	2014
<b>Opening equity</b>	<b>20 969</b>	<b>20 854</b>
Profit for the period	620	526
Other comprehensive income	233	86
<b>Total comprehensive income</b>	<b>853</b>	<b>612</b>
Dividends paid	-840	-756
<b>Closing equity</b>	<b>20 982</b>	<b>20 711</b>

Share structure	Votes	No. of shares		Quota value	SEKm
		2015	2014		
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>		

## The Group

Balance sheet, SEKm	2015	2015	2014
	31 June	31 March	31 December
<b>Non-current assets</b>			
Intangible non-current assets	109	111	114
Property, plant and equipment	11 196	11 298	11 265
Biological assets	16 986	16 902	16 867
Investments in associates and joint ventures	1 949	1 948	1 970
Other shares and participating interests	4	4	4
Non-current financial receivables	39	38	40
Deferred tax assets	1	2	1
<b>Total non-current assets</b>	<b>30 284</b>	<b>30 302</b>	<b>30 261</b>
<b>Current assets</b>			
Inventories	3 095	3 190	3 198
Trade receivables	2 432	2 425	2 328
Current tax receivable	24	29	44
Other operating receivables	506	397	394
Current financial receivables	40	38	22
Cash and cash equivalents	159	182	187
<b>Total current assets</b>	<b>6 256</b>	<b>6 261</b>	<b>6 172</b>
<b>Total assets</b>	<b>36 540</b>	<b>36 563</b>	<b>36 434</b>
<b>Equity</b>	<b>20 982</b>	<b>21 449</b>	<b>20 969</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	2 807	2 809	2 488
Pension provisions	325	323	400
Other provisions	529	532	533
Deferred tax liabilities	5 546	5 546	5 480
<b>Total non-current liabilities</b>	<b>9 206</b>	<b>9 211</b>	<b>8 901</b>
<b>Current liabilities</b>			
Current financial liabilities	3 147	2 713	3 269
Trade payables	1 969	1 990	1 882
Current tax liability	84	19	248
Provisions	75	84	69
Other operating liabilities	1 077	1 095	1 096
<b>Total current liabilities</b>	<b>6 352</b>	<b>5 903</b>	<b>6 564</b>
<b>Total liabilities</b>	<b>15 558</b>	<b>15 114</b>	<b>15 465</b>
<b>Total equity and liabilities</b>	<b>36 540</b>	<b>36 563</b>	<b>36 434</b>
Debt/equity ratio, times	0.29	0.26	0.28
Equity/assets ratio, %	57.4	58.7	57.6
Operating capital	32 566	32 581	32 354
Capital employed	27 021	27 036	26 876
Net financial debt	6 040	5 587	5 907
Pledged collateral	138	133	149
Contingent liabilities	136	117	118

Financial instruments, SEKm	Carrying amount		Fair value	
	2015 31 June	2014 31 December	2015 31 June	2014 31 December
Assets at fair value	85	18	85	18
Assets at acquisition cost	2 657	2 575	2 654	2 572
Liabilities at fair value	298	433	298	433
Liabilities at acquisition cost	7 797	7 491	7 797	7 497

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 in the case of a credit event. Assets and liabilities are not offset in the report. Recognised derivatives totalled SEK 85 million on the asset side and SEK 298 million on the liabilities side.

## The Group

Cash flow statement, SEKm	Quarter			January-June	Full year	
	2-15	1-15	2-14	2015	2014	2014
<b>Operating activities</b>						
Profit before tax	410	368	315	778	667	1 137
Adjustments for non-cash items *	200	309	223	508	497	1 448
Paid income taxes	-62	-255	-47	-318	-89	-191
<b>Cash flow from operating activities before changes in working capital</b>	<b>548</b>	<b>421</b>	<b>492</b>	<b>969</b>	<b>1 076</b>	<b>2 394</b>
<b>Cash flow from changes in working capital</b>						
Change in inventories	92	53	51	145	190	-24
Change in trade receivables and other operating receivables	-76	-58	-83	-134	-220	-111
Change in trade payables and other operating liabilities	12	106	24	117	-22	-82
<b>Cash flow from operating activities</b>	<b>574</b>	<b>522</b>	<b>484</b>	<b>1 097</b>	<b>1 024</b>	<b>2 176</b>
<b>Investing activities</b>						
Acquisition of non-current assets	-181	-252	-215	-433	-487	-830
Disposal of non-current assets	7	2	1	9	3	14
Change in non-current financial receivables	-2	1	-16	-1	-15	-19
<b>Cash flow from investing activities</b>	<b>-176</b>	<b>-249</b>	<b>-230</b>	<b>-425</b>	<b>-499</b>	<b>-834</b>
<b>Financing activities</b>						
Change in financial liabilities and current financial receivables	418	-278	330	140	75	-678
Dividends paid to the shareholders of the parent company	-840	-	-756	-840	-756	-756
<b>Cash flow from financing activities</b>	<b>-422</b>	<b>-278</b>	<b>-426</b>	<b>-700</b>	<b>-681</b>	<b>-1 434</b>
<b>Cash flow for the period</b>	<b>-23</b>	<b>-5</b>	<b>-171</b>	<b>-28</b>	<b>-157</b>	<b>-92</b>
Opening cash and cash equivalents	182	187	290	187	275	275
Exchange difference in cash and cash equivalents	-1	1	1	0	2	4
<b>Closing cash and cash equivalents</b>	<b>159</b>	<b>182</b>	<b>120</b>	<b>159</b>	<b>120</b>	<b>187</b>

Change in net financial debt, SEKm	Quarter			January-June	Full year	
	2-15	1-15	2-14	2015	2014	2014
Opening net financial debt	-5 587	-5 907	-5 890	-5 907	-6 116	-6 116
Cash flow from operating activities	574	522	484	1 097	1 024	2 176
Cash flow from investing activities (excl financial receivables)	-174	-250	-214	-424	-484	-816
Dividends paid	-840	-	-756	-840	-756	-756
Revaluations of defined benefit pension plans	-12	83	23	71	25	-173
Foreign exchange effects and changes in fair value	-1	-36	-76	-37	-122	-223
<b>Closing net financial debt</b>	<b>-6 040</b>	<b>-5 587</b>	<b>-6 429</b>	<b>-6 040</b>	<b>-6 429</b>	<b>-5 907</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	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
Operating income	3 742	3 848	3 639	7 590	7 484	15 090
Operating costs	-3 577	-3 654	-3 539	-7 231	-7 144	-13 929
<b>Operating profit</b>	<b>165</b>	194	100	<b>359</b>	340	1 161
Net financial items	-11	-27	123	-38	82	- 26
<b>Profit after net financial items</b>	<b>154</b>	167	223	<b>321</b>	422	1 135
Appropriations	263	8	386	271	557	1 219
<b>Profit before tax</b>	<b>417</b>	176	609	<b>592</b>	979	2 353
Tax	-94	-34	-92	-128	-176	-483
<b>Profit for the period</b>	<b>323</b>	141	517	<b>464</b>	803	1 870

Statement of comprehensive income, SEKm	Quarter			January-June		Full year
	2-15	1-15	2-14	2015	2014	2014
<b>Profit for the period</b>	<b>323</b>	141	517	<b>464</b>	803	1 870
<b>Other comprehensive income</b>						
Cash flow hedging	50	65	-39	115	-46	-155
Tax attributable to other comprehensive income	-11	-14	9	-25	10	34
<b>Items that will be reclassified to profit for the period</b>	<b>39</b>	51	-31	<b>90</b>	-36	-121
<b>Total comprehensive income</b>	<b>361</b>	192	486	<b>554</b>	768	1 749

Balance sheet, SEKm	2015	2015	2014
	31 December	31 March	31 December
Non-current assets	18 369	18 332	18 396
Current assets	4 855	4 892	4 793
<b>Total assets</b>	<b>23 225</b>	23 224	23 188
Restricted equity	5 915	5 915	5 915
Non-restricted equity	4 275	4 753	4 561
Untaxed reserves	2 161	2 222	2 330
Provisions	1 298	1 321	1 271
Liabilities	9 576	9 013	9 111
<b>Total equity and liabilities</b>	<b>23 225</b>	23 224	23 188
Pledged collateral	138	133	149
Contingent liabilities	94	97	95

Sales to Group companies accounted for SEK 55 million (51) of operating income in January–June 2015.

Net financial items include the result from hedging equity in foreign subsidiaries totalling SEK -1 million (-45).

Appropriations include Group contributions of SEK 103 million (824).

The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 7 million (9).

## The Group

Quarterly figures, SEKm	2015		2014				January-June		Full year
	Q2	Q1	Q4	Q3	Q2	Q1	2015	2014	2014
<b>Income statement</b>									
Net sales	4 139	4 154	4 011	3 956	3 946	4 081	8 293	8 027	15 994
Operating costs	-3 475	-3 472	-3 258	-3 233	-3 357	-3 422	-6 947	-6 779	-13 270
Profit from investments in associates and joint ventures	-2	-2	12	4	-16	-7	-4	-23	-7
Depreciation and amortisation according to plan	-309	-308	-320	-319	-314	-312	-617	-626	-1 265
Change in value of forests	82	23	27	114	92	49	105	141	282
Items affecting comparability*	-	-	-450	-	-	-	-	-	-450
<b>Operating profit</b>	<b>435</b>	<b>396</b>	<b>22</b>	<b>522</b>	<b>351</b>	<b>389</b>	<b>831</b>	<b>740</b>	<b>1 284</b>
Net financial items	-25	-28	-40	-34	-36	-37	-52	-73	-147
<b>Profit before tax</b>	<b>410</b>	<b>368</b>	<b>-18</b>	<b>488</b>	<b>315</b>	<b>352</b>	<b>778</b>	<b>667</b>	<b>1 137</b>
Tax	-88	-70	14	-103	-66	-75	-159	-141	-230
<b>Profit for the period</b>	<b>322</b>	<b>298</b>	<b>-4</b>	<b>385</b>	<b>250</b>	<b>276</b>	<b>620</b>	<b>526</b>	<b>907</b>
Earnings per share, SEK	3.8	3.5	-0.1	4.6	3.0	3.3	7.4	6.3	10.8
<b>Net sales</b>									
Iggesund Paperboard	1 348	1 431	1 320	1 310	1 237	1 246	2 778	2 483	5 113
Holmen Paper	1 602	1 447	1 548	1 637	1 490	1 572	3 049	3 062	6 247
Holmen Timber	378	339	315	313	367	357	716	724	1 352
Holmen Skog	1 403	1 503	1 461	1 250	1 435	1 494	2 906	2 929	5 641
Holmen Energi**	83	117	91	66	88	143	201	231	389
Elimination of intra-group net sales	-675	-682	-725	-621	-671	-731	-1 357	-1 402	-2 748
<b>Group</b>	<b>4 139</b>	<b>4 154</b>	<b>4 011</b>	<b>3 956</b>	<b>3 946</b>	<b>4 081</b>	<b>8 293</b>	<b>8 027</b>	<b>15 994</b>
<b>Operating profit/loss by business area***</b>									
Iggesund Paperboard	231	180	229	263	86	97	411	183	674
Holmen Paper	-17	-73	51	45	40	6	-90	45	141
Holmen Timber	7	7	-8	16	18	10	14	28	37
Holmen Skog	222	239	180	200	213	224	460	437	817
Holmen Energi	38	86	50	28	37	96	123	134	212
Group-wide	-45	-43	-29	-30	-43	-44	-88	-87	-146
<b>Group</b>	<b>435</b>	<b>396</b>	<b>472</b>	<b>522</b>	<b>351</b>	<b>389</b>	<b>831</b>	<b>740</b>	<b>1 734</b>
<b>Operating margin, % ***</b>									
Iggesund Paperboard	17.1	12.6	17.3	20.1	6.9	7.8	14.8	7.4	13.2
Holmen Paper	-1.1	-5.1	3.3	2.8	2.7	0.4	-3.0	1.5	2.3
Holmen Timber	1.7	2.2	-2.5	5.2	5.0	2.9	2.0	3.9	2.7
Group	10.5	9.5	11.8	13.2	8.9	9.5	10.0	9.2	10.8
<b>EBITDA by business area***</b>									
Iggesund Paperboard	355	304	352	387	206	216	659	423	1 161
Holmen Paper	130	74	197	192	186	151	204	336	725
Holmen Timber	26	27	23	48	49	41	52	90	160
Holmen Skog	146	222	162	93	128	181	368	309	563
Holmen Energi	43	91	56	33	42	101	134	144	233
Group-wide	-38	-37	-24	-25	-38	-38	-75	-76	-126
<b>Group</b>	<b>662</b>	<b>681</b>	<b>765</b>	<b>727</b>	<b>573</b>	<b>652</b>	<b>1 342</b>	<b>1 225</b>	<b>2 717</b>
<b>Return on operating capital, % ***</b>									
Iggesund Paperboard	13.5	10.6	13.4	15.3	5.0	5.6	12.0	5.3	9.8
Holmen Paper	-1.5	-6.3	4.3	3.7	3.2	0.5	-3.9	1.9	2.9
Holmen Timber	2.9	3.3	-2.9	4.9	5.3	3.0	3.1	4.1	2.8
Holmen Skog	5.1	5.5	4.2	4.7	5.0	5.3	5.3	5.2	4.8
Holmen Energi	4.4	10.0	5.9	3.3	4.5	11.5	7.2	8.0	6.3
Group	5.3	4.9	5.8	6.4	4.3	4.8	5.1	4.5	5.3
<b>Key indicators</b>									
Return on capital employed, % ***	6.4	5.9	7.0	7.7	5.2	5.8	6.2	5.5	6.4
Return on equity, %	6.1	5.6	0.0	7.4	4.8	5.3	5.8	5.0	4.3
<b>Deliveries</b>									
Paperboard, '000 tonnes	122	129	122	125	122	124	251	246	493
Printing paper, '000 tonnes	346	306	322	341	311	331	652	641	1 305
Sawn timber, '000 m <sup>3</sup>	208	188	169	165	196	195	396	391	725
Harvesting company forests, '000 m <sup>3</sup>	917	820	849	788	871	789	1 737	1 660	3 297
Own production of hydro and wind power, GWh	366	377	246	211	278	377	743	655	1 113

\* Items affecting comparability in Q4 2014 refers to an impairment loss on non-current assets.

\*\* Sales from wholly and partly owned power plants

\*\*\* Excl. items affecting comparability.

## The Group

Full year review, SEKm	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Income statement</b>										
Net sales	15 994	16 231	17 852	18 656	17 581	18 071	19 334	19 159	18 592	16 319
Operating costs	-13 270	-13 919	-15 224	-15 501	-15 077	-15 191	-16 614	-15 637	-15 069	-13 287
Profit from investments in associates and joint ventures	-7	3	47	84	28	45	50	12	11	20
Depreciation and amortisation according to plan	-1 265	-1 370	-1 313	-1 260	-1 251	-1 320	-1 343	-1 337	-1 346	-1 167
Change in value of forests	282	264	350	-	52	16	-16	89	115	82
Items affecting comparability*	-450	-140	-193	3 593	264	-	-361	557	-	-
<b>Operating profit</b>	<b>1 284</b>	<b>1 069</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>
Net financial items	-147	-198	-227	-244	-208	-255	-311	-261	-247	-233
<b>Profit before tax</b>	<b>1 137</b>	<b>871</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>
Tax	-230	-160	559	-1 374	-684	-360	-98	-1 077	-597	-478
<b>Profit for the year</b>	<b>907</b>	<b>711</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>
Diluted earnings per share, SEK	8.5	22.1	47.1	8.4	12.0	7.6	17.8	17.2	14.8	15.1
<b>Operating profit by business area**</b>										
Iggesund Paperboard	674	433	596	863	817	419	320	599	752	631
Holmen Paper	141	-309	94	228	-618	340	280	623	754	626
Holmen Timber	37	-75	-130	-136	20	21	13	146	80	13
Holmen Skog	817	924	931	739	818	605	632	702	643	537
Holmen Energi	212	371	355	406	495	414	327	272	197	301
Group-wide	-146	-136	-132	-120	-200	-178	-159	-56	-123	-141
<b>Group</b>	<b>1 734</b>	<b>1 209</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>EBITDA by business area**</b>										
Iggesund Paperboard	1 161	878	959	1 186	1 141	780	688	954	1 108	1 358
Holmen Paper	725	429	862	1 002	229	1 218	1 176	1 537	1 667	976
Holmen Timber	160	45	-10	-26	49	52	47	169	104	38
Holmen Skog	563	694	614	769	794	616	674	639	556	483
Holmen Energi	233	391	374	425	516	435	346	289	214	319
Group-wide	-126	-121	-123	-116	-198	-176	-160	-54	-115	-122
<b>Group</b>	<b>2 717</b>	<b>2 315</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>Deliveries</b>										
Paperboard, '000 tonnes	493	469	485	474	464	477	494	516	536	492
Printing paper, '000 tonnes	1 305	1 574	1 651	1 668	1 732	1 745	2 044	2 025	2 021	1 764
Sawn timber, '000 m <sup>3</sup>	725	686	660	487	285	313	266	262	248	229
MF	3 297	3 465	3 211	2 988	2 999	2 897	2 649	2 575	2 618	2 608
Own production of hydro and wind power, GWh	1 113	1 041	1 353	1 235	1 149	1 090	1 128	1 193	934	1 236
<b>Balance sheet</b>										
Non-current assets	30 221	30 652	30 664	30 334	26 028	25 694	26 506	26 153	25 354	25 793
Current assets	5 964	5 774	6 005	6 642	6 950	6 075	7 268	6 549	6 138	5 709
Financial receivables	249	327	377	240	454	407	828	541	649	712
<b>Total assets</b>	<b>36 434</b>	<b>36 753</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>
Equity	20 969	20 854	20 813	19 773	16 913	16 504	15 641	16 932	16 636	16 007
Deferred tax liability	5 480	5 804	5 504	6 630	5 910	5 045	4 819	5 482	5 030	5 143
Financial liabilities and interest-bearing provisions	6 156	6 443	6 967	6 499	6 227	6 091	8 332	6 518	6 634	7 351
Operating liabilities	3 829	3 653	3 762	4 313	4 382	4 536	5 809	4 310	3 841	3 713
<b>Total equity and liabilities</b>	<b>36 434</b>	<b>36 753</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>Cash flow</b>										
Operating activities	2 176	2 011	2 254	2 101	1 523	2 873	1 660	2 476	2 358	2 471
Investing activities	-834	-869	-1 920	-1 733	-1 597	-818	-1 124	-1 315	-947	-3 029
<b>Cash flow after investments</b>	<b>1 342</b>	<b>1 142</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>Key indicators</b>										
Return on capital employed, % **	6	4	7	9	6	7	6	10	10	9
Return on equity, %	4	3	9	23	4	6	4	9	9	8
Return on equity, % **	6	4	6	8	4	6	4	9	9	8
Debt/equity ratio	0.29	0.32	0.32	0.34	0.34	0.48	0.35	0.36	0.41	0.31
<b>Dividend</b>										
Dividend, SEK	10	9	9	8	7	7	9	12	12	11

\* Items affecting comparability in 2014 refers to impairment loss on non-current assets (SEK -450 million). 2013 refers to impairment loss on non-current assets (SEK -100 million) and restructuring costs (SEK -40 million). 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 (SEK +3 593 million). 2010 refers to impairment loss on non-current assets (SEK -555 million), restructuring costs (SEK -231 million) and revaluation of forest (SEK +1 050 million). 2008 refers to provisions and costs due to restructuring and closure of mills and earnings effects from fire (SEK -361 million). 2007 refers to a net impairment loss on non-current assets (SEK -1 543) and revaluation of forest (SEK +2 100 million).

\*\* Excl. items affecting comparability

## Holmen in brief

Holmen's business concept is to develop and run profitable business within three product-oriented business areas for paperboard, printing paper and sawn timber as well as two raw material-oriented business areas for forest and energy. Europe is the key market.

The business area Iggesund Paperboard produces paperboard for consumer packaging and graphics printing at one Swedish and one UK mill. Holmen Paper manufactures printing paper for magazines, directories, advertising material, books and daily newspapers at two Swedish mills and one Spanish mill. Holmen Timber produces sawn timber at two Swedish sawmills. In 2014, the Group produced 0.5 million tonnes of paperboard, 1.3 million tonnes of printing paper and 0.7 million 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 1.2 TWh of electric power. Holmen Skog and Holmen Energi are also responsible for the Group's wood and electricity supply in Sweden.

## Press and analyst conference

Following publication of the interim report, a press and analyst conference will be held at 14.30 CET on Thursday, 13 August. Venue: Tändstickspalatset, Kreugersalen. Västra Trädgårdsgatan 15, Stockholm. Holmen President and CEO Henrik Sjölund 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

5 November 2015	Interim report January–September 2015
5 February 2016	Year-end report 2015
26 April 2016	Interim report January–March 2016
17 August 2016	Interim report January–June 2016

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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 13 August 2015 at 12.30 CET.

*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.*