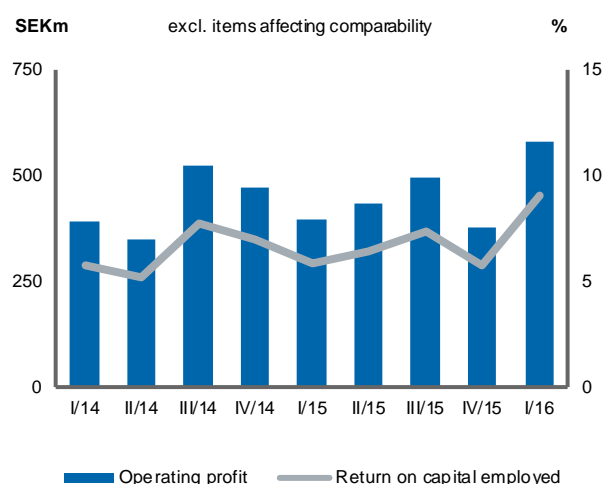
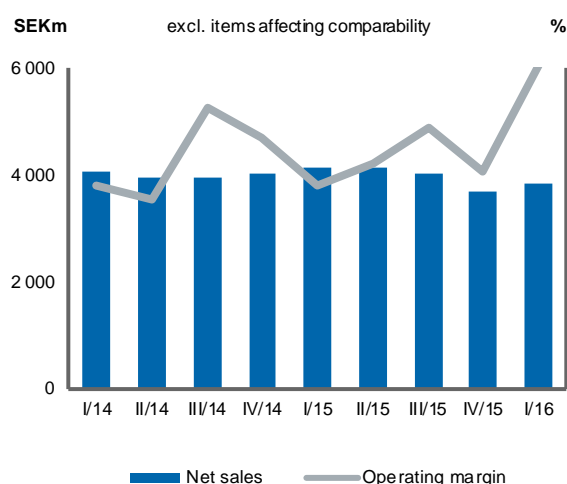


# Holmen's interim report January–March 2016

SEKm	Quarter			Full year
	1-16	4-15	1-15	2015
Net sales	<b>3 828</b>	3 689	4 154	16 014
Operating profit excl. items affecting comparability	<b>580</b>	376	396	1 700
Operating profit	<b>348</b>	-555	396	769
Profit after tax excl. items affecting comparability	<b>450</b>	326	298	1 323
Profit after tax	<b>222</b>	-438	298	559
Return on capital employed, %*	<b>9.1</b>	5.7	5.9	6.4
Return on equity, %	<b>4.3</b>	-8.4	5.6	2.6
Earnings per share, SEK	<b>2.6</b>	-5.2	3.5	6.7
Cash flow before investments	<b>542</b>	775	522	2 526
Debt/equity ratio	<b>0.21</b>	0.23	0.26	0.23

\*Excluding items affecting comparability, which are included in operating profit at SEK -232 million (0).

- Operating profit for the first quarter of 2016 was SEK 580 million, excluding items affecting comparability, which were SEK 184 million higher than in the first quarter of 2015 and SEK 204 million higher than in the fourth quarter. A shutdown for rebuild of a board machine had a negative effect of just over SEK 60 million on earnings for the quarter, but this was offset by a dispute over water costs for a corresponding amount being settled in Holmen's favour. Earnings from timber trading were high and depreciation decreased. Both the first quarter of 2015 and the fourth quarter of 2015 were negatively affected by maintenance and rebuilding shutdowns.
- Operating profit after items affecting comparability amounted to SEK 348 million. The quarter was impacted by a net amount of SEK -232 million in items affecting comparability regarding the sale of the Group's Spanish operations and insurance compensation for reconstruction following the fire at Hallsta Paper Mill.
- Profit after tax for January–March amounted to SEK 222 million (298), which corresponds to earnings per share of SEK 2.6 (3.5). Excluding items affecting comparability, profit after tax amounted to SEK 450 million (298) and earnings per share was SEK 5.4 (3.5).



## Forest

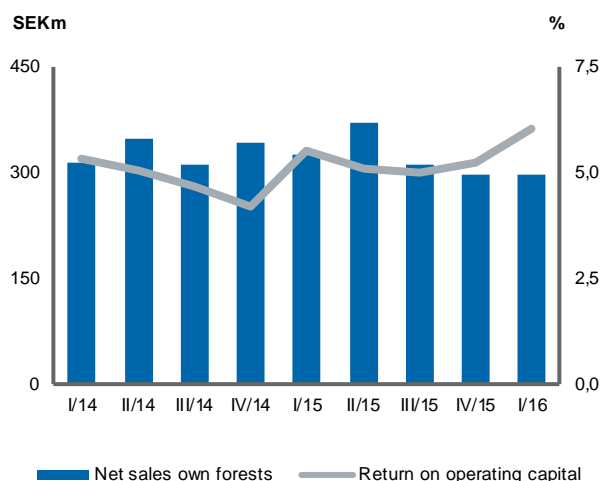
Holmen performs active and sustainable forestry on over a million hectares of its own land.

SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Net sales	<b>1 368</b>	1 335	1 503	5 481
<i>of which from own forests</i>	<b>297</b>	296	325	1 301
Operating costs	<b>-1 157</b>	-1 168	-1 281	-4 813
Depreciation and amortisation according to plan	<b>-7</b>	-9	-6	-29
<b>Earnings from operations</b>	<b>205</b>	158	216	638
Change in value of forests	<b>62</b>	71	23	267
<b>Operating profit</b>	<b>267</b>	228	239	905
Investments, net	<b>-10</b>	8	4	31
Operating capital	<b>17 636</b>	17 589	17 381	17 589
Return on operating capital, %	<b>6</b>	5	5	5
Harvesting own forests, '000 m <sup>3</sup>	<b>715</b>	686	820	3 213

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

Compared with the fourth quarter, earnings from operations rose by SEK 47 million mainly as a result of seasonally lower costs and higher earnings from timber trading than usual.

Earnings from operations for January–March decreased by SEK 11 million to SEK 205 million compared with the same period last year, owing mainly to lower harvesting volumes. Operating profit, which includes a change in value of SEK 62 million, totalled SEK 267 million (239). Profit was higher than normal as a result of high earnings from timber trading.



## Consumer board

Holmen is a market leader in the highest quality segments for consumer packaging and consumer board for advanced graphics printing.

SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Net sales	1 364	1 255	1 431	5 472
Operating costs	-1 005	-979	-1 126	-4 127
<b>EBITDA</b>	<b>358</b>	276	304	1 346
Depreciation and amortisation according to plan	-122	-126	-124	-499
<b>Operating profit</b>	<b>236</b>	151	180	847
Investments	166	112	104	324
Operating capital	6 587	6 622	6 838	6 622
EBITDA margin, %	26	22	21	25
Operating margin, %	17	12	13	15
Return on operating capital, %	14	9	11	12
Production, paperboard, '000 tonnes	117	120	118	502
Deliveries, paperboard, '000 tonnes	129	116	129	499

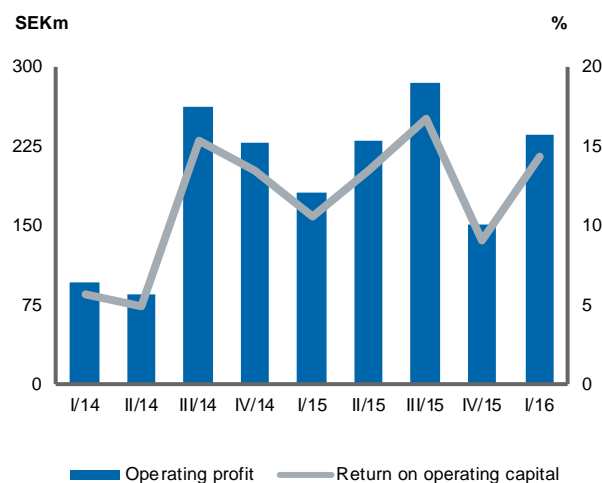
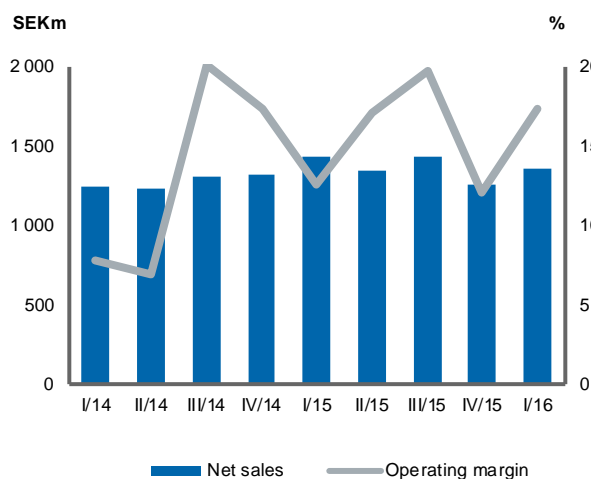
The market for consumer board was stable in the first quarter. Demand decreased by 2 per cent compared with the same period last year. Prices were stable.

Holmen's consumer board deliveries amounted to 129 000 tonnes during January–March, which was the same level as last year.

Operating profit for January–March was SEK 236 million (180). Production and deliveries were good during the quarter. Production at Workington was shut down for a month for the rebuilding of the board machine in order to raise capacity by 20 000 tonnes and improve product quality. This had a negative effect on earnings for the quarter by just over SEK 60 million, although this was offset by a settlement in Holmen's favour of a dispute over water costs which resulted in the refund of SEK 60 million. Earnings for the first quarter of last year were negatively affected by SEK 60 million from a maintenance shutdown.

Operating profit was up by SEK 85 million compared with the fourth quarter. Operating profit for the previous quarter was impacted by costs and production losses from a maintenance shutdown at Iggesund Mill.

Start-up of the rebuilt board machine in Workington is according to plan but is expected to have an adverse effect on production and cost levels in the second quarter of around SEK 40 million compared with the normal level of production.



## Paper

Holmen produces paper that takes advantage of the properties of fresh fibre to provide cost-effective alternatives to traditional paper choices.

SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Net sales	1 308	1 463	1 447	6 148
Operating costs	-1 143	-1 311	-1 373	-5 634
<b>EBITDA</b>	<b>165</b>	153	74	514
Depreciation and amortisation according to plan	-108	-147	-147	-588
<b>Operating profit*</b>	<b>57</b>	6	-73	-74
Investments	95	92	147	347
Operating capital	3 406	3 558	4 674	3 558
EBITDA margin, %*	13	10	5	8
Operating margin, %*	4	0	-5	-1
Return on operating capital, %*	7	1	neg	neg
Production, '000 tonnes	293	301	308	1 287
Deliveries, '000 tonnes	273	317	306	1 325

\* Excluding items affecting comparability

Demand for printing paper in Europe decreased by 4 per cent during January–February compared with the same period in 2015. Selling prices increased slightly for some products in the first quarter.

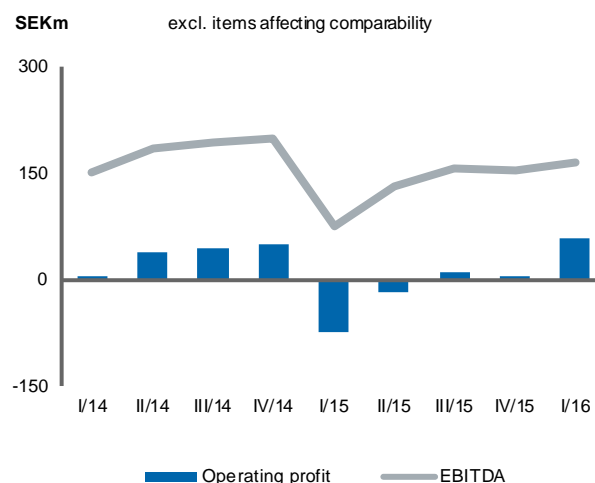
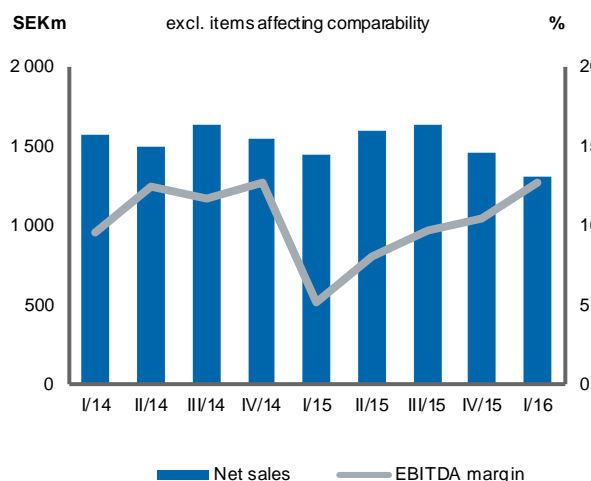
Holmen's deliveries in the first quarter amounted to 273 000 tonnes, which was 11 per cent lower than the same period last year as a result of production losses following the fire at Hallsta Paper Mill. The fire, which occurred in November 2015, resulted in a 100 000 tonnes production loss, 60 000 tonnes of which were in the first quarter of 2016. Production has been back in full operation since the beginning of March. Production losses and additional costs resulting from the fire are covered by insurance.

Operating profit for January–March was SEK 57 million (-73), excluding items affecting comparability. A better product mix following the launch of the new UNIQ product and lower depreciation had a positive effect on earnings. Earnings for the first quarter of 2015 included SEK 70 million in costs relating to a rebuilding shutdown.

Compared with the fourth quarter, operating profit excluding items affecting comparability increased by SEK 51 million, mainly as a result of lower depreciation. Slightly higher selling prices had a positive effect on earnings but were offset by higher energy costs.

In March Holmen entered into an agreement to sell its newsprint mill in Madrid to International Paper, expected to come into effect in the second quarter. International Paper will continue producing newsprint at the mill until the second half of 2017, when it will be converted to containerboard production. Until then, Holmen will sell the newsprint produced at the mill.

The sale of the mill in Madrid and insurance compensation for reconstruction following the fire at Hallsta had a net effect of SEK -232 million on earnings, which is treated as an item affecting comparability.



## Wood products

Holmen produces wood products for the joinery and construction industry at two large-scale sawmills that are integrated with the Group's paper and consumer board mills.

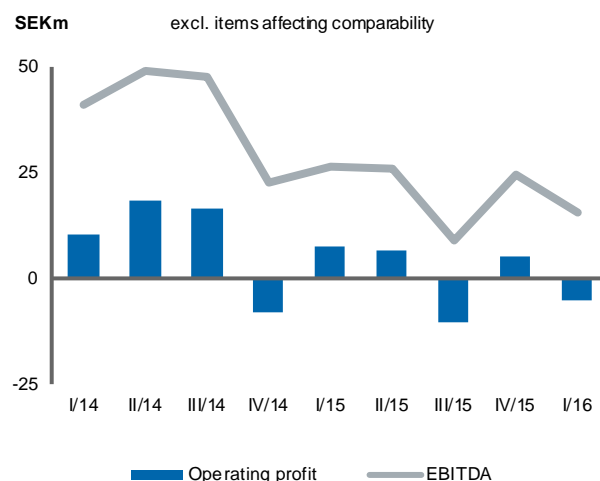
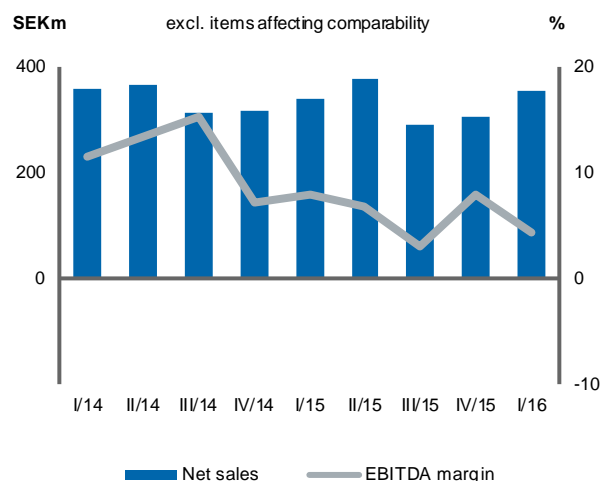
SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Net sales	353	306	339	1 314
Operating costs	-337	-282	-312	-1 228
<b>EBITDA</b>	<b>16</b>	<b>24</b>	<b>27</b>	<b>86</b>
Depreciation and amortisation according to plan	-21	-19	-19	-77
<b>Operating profit</b>	<b>-5</b>	<b>5</b>	<b>7</b>	<b>9</b>
Investments	4	28	5	103
Operating capital	953	924	918	924
EBITDA margin, %	4	8	8	7
Operating margin, %	-1	2	2	1
Return on operating capital, %	neg	2	3	1
Production, '000 m <sup>3</sup>	185	199	197	734
Deliveries, '000 m <sup>3</sup>	209	174	188	730

Market conditions for wood products stabilised in the first quarter and prices were largely unchanged following significant decreases in 2015.

Holmen's deliveries of wood products amounted to 209 000 cubic metres, which was just over 10 per cent higher than for the same period last year.

Operating profit for January–March was SEK -5 million (7). The decrease was due to lower selling prices.

Compared with the fourth quarter, profit decreased by SEK 10 million. Deliveries were high but average prices were lower, partly as a result of a changed sales mix.



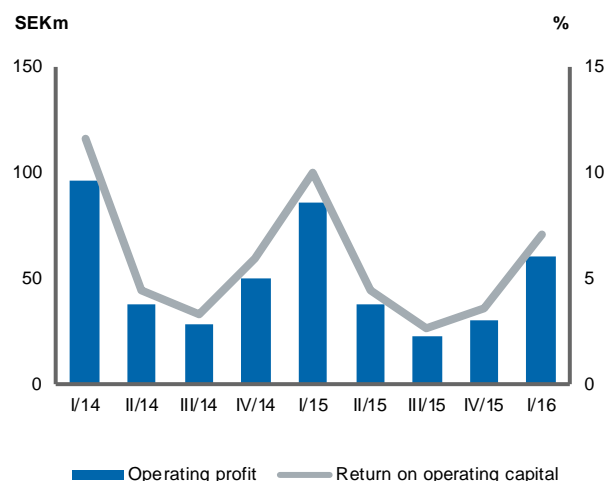
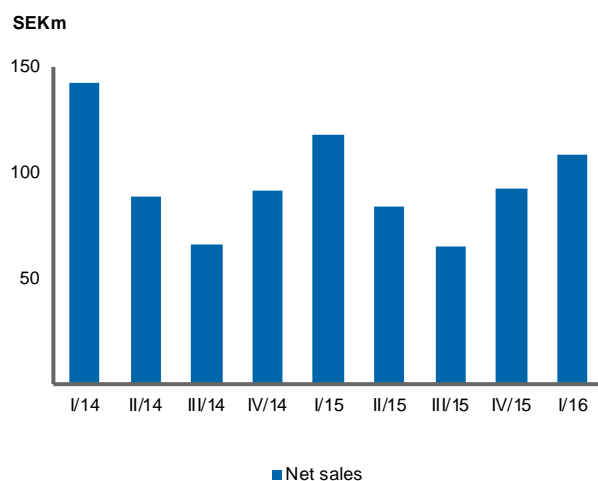
## Renewable energy

Holmen produces renewable hydro and wind-based electricity.

SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Net sales	108	93	117	359
Operating costs	-43	-57	-26	-161
Depreciation and amortisation according to plan	-6	-6	-5	-22
<b>Operating profit</b>	<b>60</b>	<b>30</b>	<b>86</b>	<b>176</b>
Investments	5	14	5	18
Operating capital	3 428	3 351	3 429	3 351
Operating margin, %	55	33	73	49
Return on operating capital, %	7	4	10	5
Production hydro and wind power, GWh	373	349	377	1 441

Operating profit for January–March amounted to SEK 60 million (86). The decrease was due to lower electricity prices.

Compared with the fourth quarter, operating profit rose by SEK 30 million as a result of seasonally higher production and costs having decreased from a high level.



**Net financial items and financing**

Net financial items for January–March totalled SEK -15 million (-28). Borrowing costs fell to an average of 1.3 per cent (1.9).

Cash flow from operating activities totalled SEK 542 million. Cash flow from investing activities was SEK -262 million.

The Group's net financial debt decreased by SEK 323 million to SEK 4 476 million in the first quarter. The debt/equity ratio was 0.21 at the end of the first quarter. Financial liabilities including pension provisions totalled SEK 4 743 million, SEK 2 359 million of which consisted of current liabilities. Cash, cash equivalents and financial receivables totalled SEK 268 million. The Group has unused contractually agreed credit facilities of SEK 3 692 million, which mature in 2020.

**Tax**

Recognised tax for January–March amounted to SEK -111 million (-70). Recognised tax as a proportion of profit before tax was 33 (19) per cent, which was higher than normal as a result of the sale of the Spanish operations.

**Equity**

In January–March, the Group's equity increased by SEK 80 million to SEK 20 933 million. Profit for the period totalled SEK 222 million. In addition, other comprehensive income totalled SEK -142 million.

**Hedging exchange rates and electricity prices**

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–March includes currency hedges of SEK 36 million (-65). The fair value of currency hedges not yet recognised as income amounted to SEK 42 million at the end of the quarter.

The weaker Swedish krona had a positive impact of SEK 70 million on consolidated earnings compared with the first quarter of last year and of SEK 20 million compared with the fourth quarter. For the next 16 months, 90 per cent of expected flows in EUR/SEK are hedged at an average of 9.32. 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: 8.1 and sterling: 11.7), exchange rate differences are expected to have a negative impact of just under SEK 100 million on consolidated operating profit for 2016 compared with 2015. Calculated in a corresponding way, the second quarter is expected to be negatively affected by approximately SEK 40 million compared with the first quarter of 2016.

Prices for the Group's estimated net consumption of electricity in Sweden are 80–90 per cent hedged for 2016–2018, 60 per cent hedged for 2019–2020 and 40 per cent hedged for 2021.

**Investments**

Cash flow from investing activities for January–March was SEK -262 million (-249). Scheduled depreciation and amortisation totalled SEK 269 million (308).

**Personnel**

The average number of employees (full-time equivalents) in the Group was 3 193 (3 215).

**Share buy-backs**

At the 2016 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 2016 resolved in favour of paying a dividend of SEK 10.5 (10) per share. The dividend, totalling SEK 882 million, was paid on 20 April.

**Material risks and uncertainties**

The Group 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 2015, pages 42–45 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 from the latest published annual report. The figures in tables are rounded off. Information in accordance with IAS 34:16A has been submitted in the financial statements and in other parts of this interim report.

Stockholm, 26 April 2016  
Holmen AB (publ.)

Henrik Sjölund  
President and CEO

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

For further information please contact:

Henrik Sjölund, President and CEO, tel. +46 8 666 21 05  
Anders Jernhall, EVP and CFO, tel. +46 8 666 21 22  
Ingela Carlsson, Communications Director, tel. +46 70 212 97 12

## Group

Income statement, SEKm	Quarter			Full year
	1-16	4-15	1-15	2015
Net sales	3 828	3 689	4 154	16 014
Other operating income	536	439	259	1 203
Change in inventories	-8	1	-75	-187
Raw materials and consumables	-2 136	-2 136	-2 200	-8 661
Personnel costs	-583	-585	-591	-2 335
Other operating costs	-953	-1 119	-864	-3 689
Depreciation and amortisation according to plan	-269	-313	-308	-1 240
Impairment losses	-123	-555	-	-555
Change in value of biological assets	62	71	23	267
Profit from investments in associates and joint ventures	-5	-47	-2	-46
<b>Operating profit</b>	<b>348</b>	<b>-555</b>	<b>396</b>	<b>769</b>
Finance income	0	0	0	1
Finance costs	-15	-18	-28	-91
<b>Profit before tax</b>	<b>333</b>	<b>-572</b>	<b>368</b>	<b>679</b>
Tax	-111	134	-70	-120
<b>Profit for the period</b>	<b>222</b>	<b>-438</b>	<b>298</b>	<b>559</b>
Earnings per share, SEK	2.6	-5.2	3.5	6.7
Operating margin, % *	15.1	10.2	9.5	10.6
Return on capital employed, % *	9.1	5.7	5.9	6.4
Return on equity, %	4.3	-8.4	5.7	2.6

\* Excl. items affecting comparability.

Statement of comprehensive income, SEKm	Quarter			Full year
	1-16	4-15	1-15	2015
<b>Profit for the period</b>	<b>222</b>	<b>-438</b>	<b>298</b>	<b>559</b>
<b>Other comprehensive income</b>				
Revaluations of defined benefit pension plans	33	283	85	208
Tax attributable to items that will not be reclassified to profit for the period	-6	-59	-17	-44
<b>Items that will not be reclassified to profit for the period</b>	<b>27</b>	<b>225</b>	<b>68</b>	<b>165</b>
Cash flow hedging	-58	43	48	-31
Translation difference on foreign operation	-146	-99	85	8
Hedging of currency risk in foreign operation	29	45	-5	22
Tax attributable to items that will be reclassified to profit for the period	6	-16	-13	3
<b>Items that will be reclassified to profit for the period</b>	<b>-170</b>	<b>-26</b>	<b>115</b>	<b>1</b>
<b>Total other comprehensive income after tax</b>	<b>-142</b>	<b>198</b>	<b>183</b>	<b>166</b>
<b>Total comprehensive income</b>	<b>80</b>	<b>-240</b>	<b>480</b>	<b>724</b>

Change in equity, SEKm	Jan-March	
	2016	2015
<b>Opening equity</b>	<b>20 853</b>	<b>20 969</b>
Profit for the period	222	298
Other comprehensive income	-142	183
<b>Total comprehensive income</b>	<b>80</b>	<b>480</b>
Dividends paid	-	-
<b>Closing equity</b>	<b>20 933</b>	<b>21 449</b>

Share structure	Votes	No. of shares		Quota value	SEKm
		No. of votes			
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>		



## Group

Balance sheet, SEKm	2016		2015	
	31 March		31 December	
<b>Non-current assets</b>				
Intangible non-current assets	97		107	
Property, plant and equipment	9 732		10 321	
Biological assets	17 224		17 173	
Investments in associates and joint ventures	1 857		1 914	
Other shares and participating interests	3		4	
Non-current financial receivables	34		43	
Deferred tax assets	13		6	
<b>Total non-current assets</b>	<b>28 959</b>		<b>29 567</b>	
<b>Current assets</b>				
Inventories	2 939		3 089	
Trade receivables	2 009		1 987	
Current tax receivable	11		12	
Other operating receivables	515		519	
Current financial receivables	66		61	
Cash and cash equivalents	169		221	
Asset held for sale	564		-	
<b>Total current assets</b>	<b>6 273</b>		<b>5 889</b>	
<b>Total assets</b>	<b>35 232</b>		<b>35 456</b>	
<b>Equity</b>	<b>20 933</b>		<b>20 853</b>	
<b>Non-current liabilities</b>				
Non-current financial liabilities	2 304		2 295	
Pension provisions	80		130	
Other provisions	603		585	
Deferred tax liabilities	5 513		5 508	
<b>Total non-current liabilities</b>	<b>8 500</b>		<b>8 519</b>	
<b>Current liabilities</b>				
Current financial liabilities	2 359		2 698	
Trade payables	1 732		1 916	
Current tax liability	104		53	
Provisions	303		157	
Other operating liabilities	1 216		1 259	
Liabilities attributable to assets held for sale	85		-	
<b>Total current liabilities</b>	<b>5 799</b>		<b>6 085</b>	
<b>Total liabilities</b>	<b>14 299</b>		<b>14 603</b>	
<b>Total equity and liabilities</b>	<b>35 232</b>		<b>35 456</b>	
Debt/equity ratio, times	0.21		0.23	
Equity/assets ratio, %	59.4		58.8	
Operating capital	30 909		31 155	
Capital employed	25 410		25 653	
Net financial debt	4 476		4 799	
Pledged collateral	151		148	
Contingent liabilities	118		122	

Financial instruments, SEKm	Carrying amount		Fair value	
	2016 31 March	2015 31 December	2016 31 March	2015 31 December
Assets at fair value	121	138	121	138
Assets at acquisition cost	2 248	2 278	2 245	2 275
Liabilities at fair value	501	467	501	467
Liabilities at acquisition cost	6 295	6 820	6 295	6 820

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 121 million on the asset side and SEK 501 million on the liabilities side.

## Group

Cash flow statement, SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
<b>Operating activities</b>				
Profit before tax	333	-572	368	679
Adjustments for non-cash items *	517	1 049	309	1 802
Paid income taxes	-95	7	-255	-398
<b>Cash flow from operating activities before changes in working capital</b>	<b>754</b>	<b>485</b>	<b>421</b>	<b>2 083</b>
<b>Cash flow from changes in working capital</b>				
Change in inventories	131	-73	53	123
Change in trade receivables and other operating receivables	-133	353	-58	275
Change in trade payables and other operating liabilities	-211	10	106	45
<b>Cash flow from operating activities</b>	<b>542</b>	<b>775</b>	<b>522</b>	<b>2 526</b>
<b>Investing activities</b>				
Acquisition of non-current assets	-276	-302	-252	-874
Disposal of non-current assets	15	35	2	50
Change in non-current financial receivables	-	-7	1	-8
<b>Cash flow from investing activities</b>	<b>-262</b>	<b>-275</b>	<b>-249</b>	<b>-832</b>
<b>Financing activities</b>				
Change in financial liabilities and current financial receivables	-331	-523	-278	-819
Dividends paid to the shareholders of the parent company	-	-	-	-840
<b>Cash flow from financing activities</b>	<b>-331</b>	<b>-523</b>	<b>-278</b>	<b>-1 659</b>
<b>Cash flow for the period</b>	<b>-51</b>	<b>-23</b>	<b>-5</b>	<b>35</b>
Opening cash and cash equivalents	221	245	187	187
Exchange difference in cash and cash equivalents	-1	-1	1	-0
<b>Closing cash and cash equivalents</b>	<b>169</b>	<b>221</b>	<b>182</b>	<b>221</b>

Change in net financial debt, SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Opening net financial debt	-4 799	-5 661	-5 907	-5 907
Cash flow from operating activities	542	775	522	2 526
Cash flow from investing activities (excl financial receivables)	-262	-268	-250	-824
Dividends paid	-	-	-	-840
Revaluations of defined benefit pension plans	33	281	83	206
Foreign exchange effects and changes in fair value	10	73	-36	40
<b>Closing net financial debt</b>	<b>-4 476</b>	<b>-4 799</b>	<b>-5 587</b>	<b>-4 799</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.

## Parent company

Income statement, SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
Operating income	3 628	3 464	3 848	14 686
Operating costs	-3 297	-3 736	-3 654	-14 361
<b>Operating profit</b>	<b>330</b>	- 272	194	324
Net financial items	-285	-245	-27	- 163
<b>Profit after net financial items</b>	<b>45</b>	-516	167	161
Appropriations	86	349	8	821
<b>Profit before tax</b>	<b>131</b>	-167	176	982
Tax	-97	-25	-34	-244
<b>Profit for the period</b>	<b>34</b>	-192	141	738

Statement of comprehensive income, SEKm	Quarter			Full year 2015
	1-16	4-15	1-15	
<b>Profit for the period</b>	<b>34</b>	-192	141	738
<b>Other comprehensive income</b>				
Cash flow hedging	-49	26	65	-30
Tax attributable to other comprehensive income	11	-6	-14	7
<b>Items that will be reclassified to profit for the period</b>	<b>-38</b>	20	51	-23
<b>Total comprehensive income</b>	<b>-4</b>	-172	192	715

Balance sheet, SEKm	2016		2015
	31 March	31 December	31 December
Non-current assets	17 780		18 163
Current assets	4 608		4 578
<b>Total assets</b>	<b>22 388</b>		22 741
Restricted equity	5 915		5 915
Non-restricted equity	4 432		4 436
Untaxed reserves	2 109		1 994
Provisions	1 480		1 512
Liabilities	8 453		8 884
<b>Total equity and liabilities</b>	<b>22 388</b>		22 741
Pledged collateral	151		148
Contingent liabilities	87		89

Sales to Group companies accounted for SEK 18 million (28) of operating income in January–March.

Net financial items include the SEK 29 million (-5) result from hedging equity in foreign subsidiaries and the SEK -303 million (0) impairment loss on shares in subsidiaries.

Balance sheet appropriations include group contributions of SEK 200 million (-99).

The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 8 million (5).

## Group

Quarterly figures, SEKm	2016		2015			Full year 2015
	Q1	Q4	Q3	Q2	Q1	
<b>Income statement</b>						
Net sales	3 828	3 689	4 032	4 139	4 154	16 014
Operating costs	-3 036	-3 078	-3 323	-3 475	-3 472	-13 348
Profit from investments in associates and joint ventures	-5	7	4	-2	-2	7
Depreciation and amortisation according to plan	-269	-313	-311	-309	-308	-1 240
Change in value of forests	62	71	91	82	23	267
<b>Operating profit excl. items affecting comparability</b>	<b>580</b>	<b>376</b>	<b>493</b>	<b>435</b>	<b>396</b>	<b>1 700</b>
Items affecting comparability*	-232	-931	-	-	-	-931
<b>Operating profit</b>	<b>348</b>	<b>-555</b>	<b>493</b>	<b>435</b>	<b>396</b>	<b>769</b>
Net financial items	-15	-17	-20	-25	-28	-90
<b>Profit before tax</b>	<b>333</b>	<b>-572</b>	<b>473</b>	<b>410</b>	<b>368</b>	<b>679</b>
Tax	-111	134	-95	-88	-70	-120
<b>Profit for the period</b>	<b>222</b>	<b>-438</b>	<b>377</b>	<b>322</b>	<b>298</b>	<b>559</b>
Earnings per share, SEK	2.6	-5.2	4.5	3.8	3.5	6.7
<b>Net sales</b>						
Forest	1 368	1 335	1 240	1 403	1 503	5 481
Consumer board	1 364	1 255	1 439	1 348	1 431	5 472
Paper	1 308	1 463	1 636	1 602	1 447	6 148
Wood products	353	306	291	378	339	1 314
Renew able energy	108	93	65	83	117	359
Elimination of intra-group net sales	-672	-764	-639	-675	-682	-2 760
<b>Group</b>	<b>3 828</b>	<b>3 689</b>	<b>4 032</b>	<b>4 139</b>	<b>4 154</b>	<b>16 014</b>
<b>Operating profit/loss by business area**</b>						
Forest	267	228	217	222	239	905
Consumer board	236	151	285	231	180	847
Paper	57	6	10	-17	-73	-74
Wood products	-5	5	-10	7	7	9
Renew able energy	60	30	22	38	86	176
Group-wide	-35	-45	-31	-45	-43	-163
<b>Group</b>	<b>580</b>	<b>376</b>	<b>493</b>	<b>435</b>	<b>396</b>	<b>1 700</b>
<b>Operating margin, % **</b>						
Consumer board	17.3	12.0	19.8	17.1	12.6	15.5
Paper	4.4	0.4	0.6	-1.1	-5.1	-1.2
Wood products	-1.4	1.8	-3.6	1.7	2.2	0.7
Group	15.1	10.2	12.2	10.5	9.5	10.6
<b>EBITDA by business area**</b>						
Forest	211	167	133	146	222	668
Consumer board	358	276	410	355	304	1 346
Paper	165	153	158	130	74	514
Wood products	16	24	9	26	27	86
Renew able energy	66	36	28	43	91	198
Group-wide	-29	-39	-24	-38	-37	-138
<b>Group</b>	<b>787</b>	<b>618</b>	<b>713</b>	<b>662</b>	<b>681</b>	<b>2 673</b>
<b>Return on operating capital, % **</b>						
Forest	6.1	5.2	5.0	5.1	5.5	5.2
Consumer board	14.3	9.0	16.7	13.5	10.6	12.5
Paper	6.6	0.6	0.9	neg	neg	neg
Wood products	neg	2.4	neg	2.9	3.3	1.0
Renew able energy	7.1	3.6	2.6	4.4	10.0	5.2
Group	7.5	4.7	6.1	5.3	4.9	5.3
<b>Key indicators</b>						
Return on capital employed, % **	9.1	5.7	7.3	6.4	5.9	6.4
Return on equity, %	4.3	-8.4	7.2	6.1	5.6	2.6
<b>Deliveries</b>						
Harvesting own forests, '000 m <sup>3</sup>	715	686	789	917	820	3 213
Paperboard, '000 tonnes	129	116	132	122	129	499
Printing paper, '000 tonnes	273	317	356	346	306	1 325
Sawn timber, '000 m <sup>3</sup>	209	174	159	208	188	730
Own production of hydro and wind power, GWh	373	349	349	366	377	1 441

\* Items affecting comparability in operating profit in Q1 2016 refers to impairment losses on non-current assets, provisions for costs and the effects of a fire.

\*\* Excl. items affecting comparability.

## Group

Full year review, SEKm	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Income statement</b>										
Net sales	16 014	15 994	16 231	17 852	18 656	17 581	18 071	19 334	19 159	18 592
Operating costs	-13 348	-13 270	-13 919	-15 224	-15 501	-15 077	-15 191	-16 614	-15 637	-15 069
Profit from investments in associates and joint ventures	7	-7	3	47	84	28	45	50	12	11
Depreciation and amortisation according to plan	-1 240	-1 265	-1 370	-1 313	-1 260	-1 251	-1 320	-1 343	-1 337	-1 346
Change in value of forests	267	282	264	350	-	52	16	-16	89	115
<b>Operating profit excl. items affecting comparability</b>	<b>1 700</b>	<b>1 734</b>	<b>1 209</b>	<b>1 713</b>	<b>1 979</b>	<b>1 332</b>	<b>1 620</b>	<b>1 412</b>	<b>2 286</b>	<b>2 303</b>
Items affecting comparability	-931	-450	-140	-193	3 593	264	-	-361	557	-
<b>Operating profit</b>	<b>769</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>
Net financial items	-90	-147	-198	-227	-244	-208	-255	-311	-261	-247
<b>Profit before tax</b>	<b>679</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>
Tax	-120	-230	-160	559	-1 374	-684	-360	-98	-1 077	-597
<b>Profit for the year</b>	<b>559</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>
Diluted earnings per share, SEK	6.7	10.8	8.5	22.1	47.1	8.4	12.0	7.6	17.8	17.2
<b>Operating profit by business area*</b>										
Forest	905	817	924	931	739	818	605	632	702	643
Consumer board	847	674	433	596	863	817	419	320	599	752
Paper	-74	141	-309	94	228	-618	340	280	623	754
Wood products	9	37	-75	-130	-136	20	21	13	146	80
Renewable energy	176	212	371	355	406	495	414	327	272	197
Group-wide	-163	-146	-136	-132	-120	-200	-178	-159	-56	-123
<b>Group</b>	<b>1 700</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>EBITDA by business area*</b>										
Forest	668	563	694	614	769	794	616	674	639	556
Consumer board	1 346	1 161	878	959	1 186	1 141	780	688	954	1 108
Paper	514	725	429	862	1 002	229	1 218	1 176	1 537	1 667
Wood products	86	160	45	-10	-26	49	52	47	169	104
Renewable energy	198	233	391	374	425	516	435	346	289	214
Group-wide	-138	-126	-121	-123	-116	-198	-176	-160	-54	-115
<b>Group</b>	<b>2 673</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>Deliveries</b>										
Harvesting own forests, '000 m <sup>3</sup>	3 213	3 297	3 465	3 211	2 988	2 999	2 897	2 649	2 575	2 618
Paperboard, '000 tonnes	499	493	469	485	474	464	477	494	516	536
Printing paper, '000 tonnes	1 325	1 305	1 574	1 651	1 668	1 732	1 745	2 044	2 025	2 021
Sawn timber, '000 m <sup>3</sup>	730	725	686	660	487	285	313	266	262	248
Own production of hydro and wind power, GWh	1 441	1 113	1 041	1 353	1 235	1 149	1 090	1 128	1 193	934
<b>Balance sheet</b>										
Non-current assets	29 524	30 221	30 652	30 664	30 334	26 028	25 694	26 506	26 153	25 354
Current assets	5 607	5 964	5 774	6 005	6 642	6 950	6 075	7 268	6 549	6 138
Financial receivables	325	249	327	377	240	454	407	828	541	649
<b>Total assets</b>	<b>35 456</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>
Equity	20 853	20 969	20 854	20 813	19 773	16 913	16 504	15 641	16 932	16 636
Deferred tax liability	5 508	5 480	5 804	5 504	6 630	5 910	5 045	4 819	5 482	5 030
Financial liabilities and interest-bearing provisions	5 124	6 156	6 443	6 967	6 499	6 227	6 091	8 332	6 518	6 634
Operating liabilities	3 971	3 829	3 653	3 762	4 313	4 382	4 536	5 809	4 310	3 841
<b>Total equity and liabilities</b>	<b>35 456</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>Cash flow</b>										
Operating activities	2 526	2 176	2 011	2 254	2 101	1 523	2 873	1 660	2 476	2 358
Investing activities	-832	-834	-869	-1 920	-1 733	-1 597	-818	-1 124	-1 315	-947
<b>Cash flow after investments</b>	<b>1 693</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>Key indicators</b>										
Return on capital employed, % *	6	6	4	7	9	6	7	6	10	10
Return on equity, %	3	4	3	9	23	4	6	4	9	9
Return on equity, % *	7	6	4	6	8	4	6	4	9	9
Debt/equity ratio	0.23	0.28	0.29	0.32	0.32	0.34	0.34	0.48	0.35	0.36
<b>Dividend</b>										
Dividend, SEK	10.5	10	9	9	8	7	7	9	12	12

\* Excl. items affecting comparability

## Holmen in brief

Holmen's strategy is to own forest and renewable energy assets and to develop industrial operations in consumer board, paper and wood products. The substantial forest and renewable energy assets should deliver stable revenue that grows over time. Large-scale industrial operations at efficient facilities should provide good profitability through the refining of forest raw material into high-performance consumer board, cost-effective paper and wood products for the joinery and construction industries.

The aim is for forest and renewable energy, which constitute two-thirds of the Group's assets, to provide a stable return on capital employed of at least 5 per cent, and for the industrial business to consistently return more than 10 per cent. Taken together, this means that the Group's return should exceed 7 per cent.

## Press and analyst conference

Following publication of the interim report, a press and analyst conference will be held at 14.30 CET on Tuesday, 26 April. 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

17 August 2016	Interim report January–June 2016
26 October 2016	Interim report January–September 2016
8 February 2017	Year-end report 2016

---

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 26 April 2016 at 11.15 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.*