

## Press release

28 September 2009

### Holmen to reduce capacity and make staff cuts

**At the end of 2009, Holmen will be closing down one of its two board machines at the Workington Mill in Cumbria, UK. At the same time, the capacity of the remaining machine will be upgraded. At the Braviken Paper Mill in Norrköping, Sweden, negotiations will commence to cut staff by approximately 100.**

Board machine 1 (BM 1) in Workington will be decommissioned at the end of 2009. The machine, installed in 1967, has an annual capacity of 70,000 tonnes of folding boxboard in the lower quality segments. Holmen estimates that the changes will mean staff cuts of up to 100. Upgrading of BM 2 will start at the same time. BM 2 produces folding boxboard in the higher quality segments. The new annual capacity of the Workington Mill will be 200,000 tonnes (currently 250,000) – a volume better adapted to the market.

“This will make us even more competitive and further bolster our transition towards the highest quality segments. The changes are in line with our efforts to evolve our boxboard products and will reinforce our solid position and strong brands in high-quality boxboard,” says Magnus Hall, President and CEO of Holmen.

Holmen Paper is continuing to adapt to the decrease in demand for printing paper. The business area has previously made substantial staff cuts, changed its product mix and shut down production capacity. At the Braviken Paper Mill a review of the organisation and work methods will take place. Negotiations will commence to cut staff by approximately 100.

“The market for printing paper continues to be weak. We must continue our efforts to streamline the organisation and make sure that our units maintain their competitive edge,” says Magnus Hall. “At the same time, it’s regretful that the measures now being taken mean that several of our employees will now be forced to leave the company.”

Along with these measures, administrative processes within the Holmen Group will be evaluated in order to improve efficiency and cut costs.

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For more facts and pictures of the Holmen mills in Workington and Braviken, please visit [www.holmen.com](http://www.holmen.com)

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In its capacity as issuer, Holmen AB is releasing the information in this press release in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 11.00 CET on Monday 28 September 2009.