

PRESS RELEASE

April 26, 2001

Decision in principle at Holmen

New machine for wood-containing printing paper in line with strategic direction

At its meeting on Thursday, April 26, Holmen's Board decided in principle to invest in a new machine for the production of wood-containing printing paper. This decision is in line with the Holmen Group's strategic direction, which involves focusing on growth and development in for instance newsprint and magazine paper.

The new machine will be located either at the Braviken Paper Mill in Norrköping, Sweden, or at Papelera Peninsular's newsprint mill just outside Madrid in Spain, which was acquired by Holmen last year. A decision on the location of the machine will be made before the Board makes its definite decision, which is also dependent on for instance the question of permits and approvals being clarified with the relevant authorities.

Production start is planned for the end of 2003/beginning of 2004. The new machine will produce standard newsprint. However, the additional total volume will also be allocated to other production areas in wood-containing printing paper by a redistribution of production on existing machines.

Developments on the market for wood-containing printing paper are believed to be promising. Additions to capacity so far announced are not expected to match the growth in demand from 2003 and thereafter.

Holmen Paper, the Holmen Group's business area for wood-containing printing paper, is Europe's fifth largest producer of newsprint and magazine paper with an aggregate capacity of 1,675,000 tonnes per year.

Should the project that Holmen's Board has now decided on in principle go ahead, Holmen Paper will be installing its tenth paper machine.

Holmen Paper is one of Europe's largest producers of MF Special products, i.e. improved newsprint (for direct mail advertising, simple magazines, Sunday newspapers and supplements), telephone directory paper, and coloured newsprint.

For further information, please contact Holmen's President and CEO Per Ericson, telephone +46 8 666 21 00, or Holmen Paper's President Göran Lundin, telephone: +46 11 23 50 00.