

# **HOLMEN**

## **PRESS RELEASE**

10 December 2003

### **Holmen to invest just over MSEK 500**

Holmen's Board decided on Wednesday to invest in total just over MSEK 500 in the Group's newsprint mill outside Norrköping (Sweden) and its paperboard mills in Iggesund (Sweden) and Workington (England). The main purpose of the investments is to raise the quality profile of the products.

A sum of MSEK 215 is to be invested at the Braviken Paper Mill, which belongs to Holmen Paper, in the modernisation of its PM 52 newsprint machine with the object of improving product quality and raising capacity. One of the pulp production lines will also be complemented to enable it to produce thermomechanical pulp as a means of improving the pulp's strength and increasing capacity. These investment projects will be carried out at the beginning of 2005.

The investment of MSEK 145 in a third coating stage on KM 1, one of the paperboard machines at Iggesunds Bruk, will make Iggesund Paperboard Europe's leading manufacturer of triple-coated solid bleached board for graphic production and packaging purposes. The mill's KM 2 already has the corresponding capability. The investment enables a more balanced production on the mill's two paperboard machines. This will in turn make it possible to improve capacity utilisation on the two machines. The new coating stage will be installed in connection with a production stop in the autumn of 2004.

BM 2, one of Workington's two board machines, will be modernised in order to improve product quality and quality consistency. The project will also raise production capacity slightly. The investment will amount to MSEK 153 and the project is expected to have been carried out by the end of 2004.

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For further information, please contact Göran Lundin, Holmen's President and CEO. Tel +46 8 666 21 00.