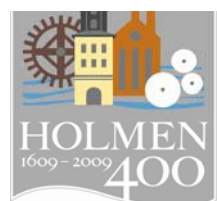
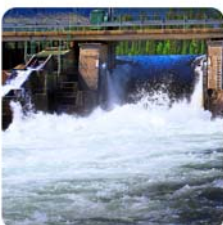


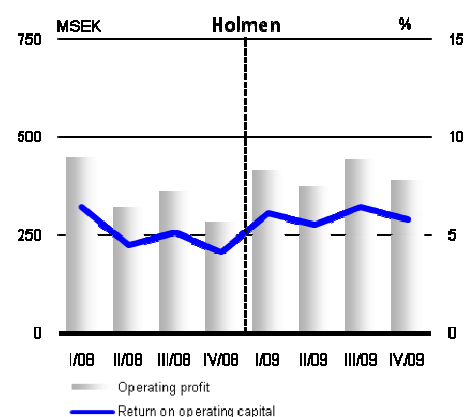
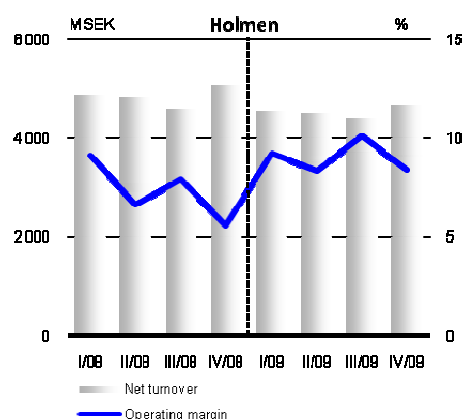
Year-end Report for 2009



| MSEK | Quarter | | | Full year | |
|-------------------------|---------|-------|-------|-----------|--------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 4 659 | 4 387 | 5 043 | 18 071 | 19 334 |
| Operating profit* | 392 | 442 | 284 | 1 620 | 1 051 |
| Profit after tax | 225 | 280 | 271 | 1 006 | 642 |
| Earnings per share, SEK | 2.7 | 3.3 | 3.2 | 12.0 | 7.6 |
| Return on equity, % | 5.5 | 7.0 | 6.9 | 6.4 | 3.9 |

* The operating profit for full year 2008 includes items affecting comparability of cost SEK 361 million.

- Profit after tax for 2009 was SEK 1 006 million (2008: SEK 642 million).
 - Earnings per share were SEK 12.0 (7.6). Return on equity totalled 6.4 per cent (3.9).
 - The Board proposes a lowered dividend of SEK 7 (9) per share.
 - Operating profit for 2009 amounted to SEK 1 620 (1 051) million. The result of 2008 included items affecting comparability which totalled cost SEK 361 million. Higher newsprint and paperboard prices improved profit. Weak demand led to considerable production curtailments, which had a negative effect on the result.
- In the fourth quarter, operating profit reached SEK 392 million, which was SEK 50 million lower than during the third quarter of 2009. The quarter includes seasonally higher costs as well as provisions and write-downs of SEK 125 million. The earnings trend for all business areas, except for Holmen Paper, was positive.
- Demand was weak in the Group's product areas during the year. In Europe demand for newsprint fell by 14 per cent and for virgin fibre board by 9 per cent compared to 2008.



| Holmen Paper MSEK | Quarter | | | Full year | |
|----------------------------------|------------|--------|--------|------------|--------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 2 310 | 2 348 | 2 854 | 9 303 | 10 443 |
| Operating costs | -2 126 | -2 024 | -2 617 | -8 084 | -9 268 |
| Depreciation according to plan | -218 | -217 | -217 | -878 | -896 |
| Items affecting comparability | - | - | - | - | -361 |
| Operating profit | -34 | 107 | 20 | 340 | -81 |
| Capital expenditure | 94 | 114 | 108 | 287 | 679 |
| Operating capital | 8 789 | 9 170 | 10 237 | 8 789 | 10 237 |
| Operating margin, % * | -2 | 5 | 1 | 4 | 3 |
| Return on operating capital, % * | -2 | 5 | 1 | 4 | 3 |
| Production, 1 000 tonnes | 437 | 431 | 500 | 1 715 | 2 033 |
| Deliveries, 1 000 tonnes | 456 | 455 | 539 | 1 745 | 2 044 |

* Excl. items affecting comparability.

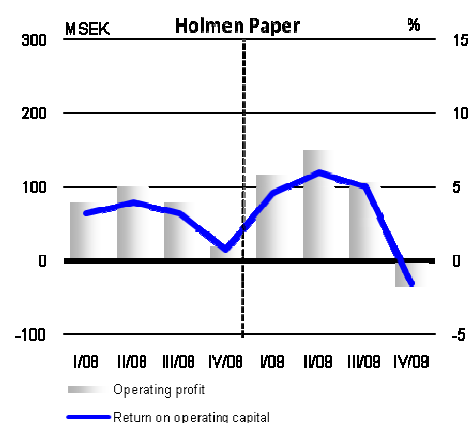
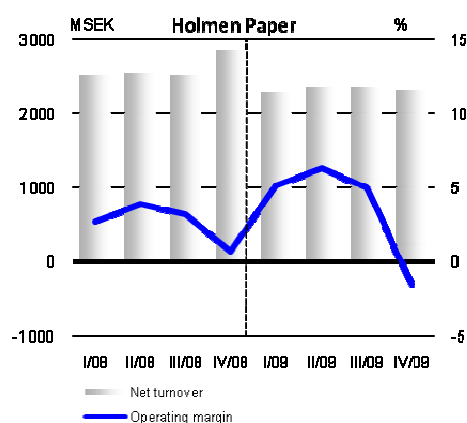
The market for newsprint remained weak during the fourth quarter with demand in Europe around 14 per cent lower than in the same quarter in 2008. For the whole of 2009, deliveries of newsprint to Europe fell by 14 per cent from the level achieved in the preceding year. Along with weak demand outside Europe, this resulted in low capacity utilisation at European producers.

Demand for MF Magazine in Europe was 20 per cent lower in 2009 than in 2008. The decline for SC Paper was 9 per cent and for coated paper 22 per cent.

Holmen Paper's deliveries dropped to 1 745 000 tonnes, compared to 2 044 000 tonnes in 2008, as a consequence of low demand and capacity closures. The decline mainly affected standard newsprint and coated paper, while Holmen Paper's deliveries of MF Magazine were more favourable. Deliveries were unchanged from the third quarter.

Holmen Paper's operating profit for 2009 was SEK 340 million compared to SEK 280 million for 2008 (excluding items affecting comparability). Sales prices were higher, but the weak market entailed extensive production curtailments and an increase in sales outside Europe. Lower costs of wood and recovered paper made a positive impact on profit, but energy costs rose.

Compared with the third quarter, operating profit in the fourth quarter fell by SEK 141 million to reach a loss of SEK 34 million. The costs of energy, personnel and maintenance displayed a seasonal increase. The figure for the fourth quarter includes a SEK 15 million provision for staff cuts in Braviken. Cuts affecting about 100 people are in progress and are expected to make their full impact on costs towards the end of 2010. Price negotiations for 2010 are under way but not complete. However, lower prices are expected, which has entailed write-downs of finished goods; this reduced profit by SEK 50 million.



| Iggesund Paperboard MSEK | Quarter | | | Full year | |
|--------------------------------------|------------|------------|-----------|------------|------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 1 260 | 1 223 | 1 194 | 5 023 | 4 860 |
| Operating costs | -1 027 | -1 008 | -1 085 | -4 244 | -4 173 |
| Depreciation according to plan | -93 | -86 | -93 | -361 | -368 |
| Operating profit | 140 | 128 | 16 | 419 | 320 |
| Capital expenditure | 75 | 54 | 98 | 260 | 327 |
| Operating capital | 4 114 | 4 143 | 4 254 | 4 114 | 4 254 |
| Operating margin, % | 11 | 11 | 1 | 8 | 7 |
| Return on operating capital, % | 14 | 12 | 2 | 10 | 8 |
| Production, paperboard, 1 000 tonnes | 118 | 118 | 113 | 471 | 491 |
| Deliveries, paperboard, 1 000 tonnes | 123 | 118 | 115 | 477 | 494 |

The virgin fibre board market recovered in the autumn. During the fourth quarter, deliveries from European producers to Europe were 2 per cent higher than in the corresponding quarter the preceding year – which was, however, a weak period. For the whole of 2009 the decline was 9 per cent. Prices were stable in the fourth quarter. During the autumn, Iggesund Paperboard increased prices for folding boxboard in the UK market and announced price rises in the rest of Europe for 2010.

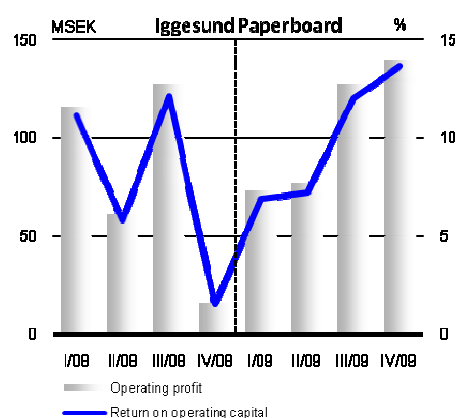
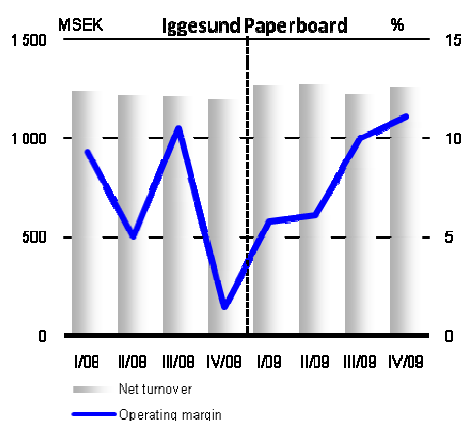
Iggesund Paperboard's deliveries amounted to 477 000 tonnes in 2009, which was 3 per cent lower than in the preceding year. Deliveries were higher in the fourth quarter than in the third.

Iggesund Paperboard's operating profit for 2009 reached SEK 419 million (320). The price increases implemented in the second half of 2008, along with a weaker British pound and Swedish krona, had a positive impact on results. Production curtailments and high manufacturing costs adversely affected

profit, particularly in the first half of 2009. A paperboard machine (BM 1) at Workington Mill was permanently shut down in December. Provisions and impairment losses resulting from the shutdown had an adverse effect of SEK 75 million on profit for the full year.

Compared to the third quarter, profit for the fourth quarter rose by SEK 12 million to SEK 140 million. The growth is primarily attributable to higher deliveries and lower consumption rates in production. The fourth quarter includes costs of SEK 60 million related to the closure of BM 1 at Workington Mill. Profit for the third quarter incorporates costs of SEK 15 million related to the same closure.

In conjunction with the closure of BM 1, capacity on the remaining paperboard machine at Workington Mill was upgraded. The resulting annual capacity of the mill is 200 000 tonnes (previously 250 000) – a volume that is better aligned to the market. The change involves employee cutbacks at the mill that affect about 100 people.



| Holmen Timber MSEK | Quarter | | | Full year | |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 155 | 142 | 109 | 553 | 499 |
| Operating costs | -129 | -120 | -107 | -501 | -452 |
| Depreciation according to plan | -7 | -8 | -9 | -31 | -34 |
| Operating profit | 19 | 13 | -7 | 21 | 13 |
| Capital expenditure | 69 | 40 | -11 | 110 | 19 |
| Operating capital | 396 | 324 | 366 | 396 | 366 |
| Operating margin, % | 12 | 10 | -7 | 4 | 3 |
| Return on operating capital, % | 21 | 17 | -8 | 6 | 4 |
| Production, 1 000 m ³ | 76 | 75 | 72 | 291 | 279 |
| Deliveries, 1 000 m ³ | 76 | 76 | 63 | 313 | 266 |

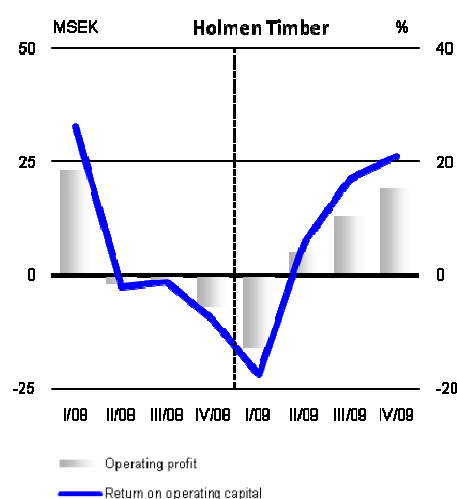
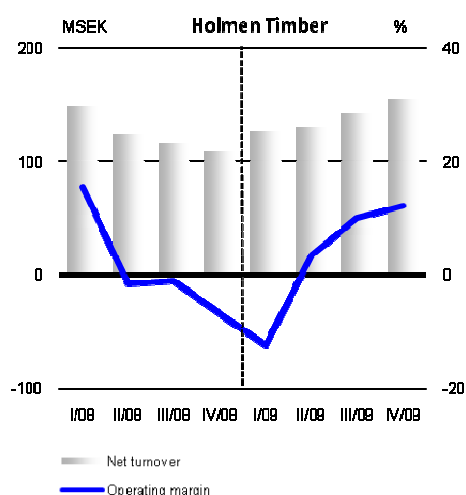
The consumption of sawn timber in Europe was lower in 2009 than in the preceding year. The supply of raw materials was also limited to many sawmills. Along with the low demand, this led to sizeable production curtailments among European producers. The market improved, however, because the supply of available products and stock levels were low. The prices of sawn timber rose as of spring 2009, following the substantial drop from peak prices in mid-2007.

Holmen Timber's deliveries increased to 313 000 cubic metres in 2009, compared to 266 000 cubic metres in 2008. The level of deliveries during the fourth quarter remained high.

Holmen Timber's operating profit for 2009 reached SEK 21 million (13). Higher deliveries and lower raw material costs had a positive impact, although the average price level was lower.

Compared to the third quarter, operating profit climbed during the fourth quarter by SEK 6 million to SEK 19 million. The improvement is attributable to a rise in sales prices. The price of raw materials, which dropped at the start of the year, increased during the second half of the year.

The construction of Braviken Sawmill near Norrköping is in progress. Production is scheduled to start at the turn of 2010/2011.



| Holmen Skog | | Quarter | | Full year | |
|--|------------|---------|--------|------------|--------|
| MSEK | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 1 306 | 1 048 | 1 365 | 4 799 | 5 443 |
| Operating costs | -1 083 | -926 | -1 151 | -4 184 | -4 769 |
| Depreciation according to plan | -9 | -6 | -9 | -27 | -26 |
| Earnings from operations | 214 | 116 | 205 | 589 | 648 |
| Change in value of forests | -35 | 31 | -26 | 16 | -16 |
| Operating profit | 179 | 147 | 179 | 605 | 632 |
| Capital expenditure | 54 | 4 | 9 | 69 | 21 |
| Operating capital | 11 384 | 11 437 | 11 415 | 11 384 | 11 415 |
| Return on operating capital, % | 6 | 5 | 6 | 5 | 6 |
| Harvesting company forests, 1 000 m ³ | 859 | 704 | 770 | 2 897 | 2 649 |

Demand for saw timber remained high in the fourth quarter and timber prices rose in large parts of Sweden. A normal level of demand was noted for pulpwood and market prices remained unchanged.

Holmen Skog's operating profit for 2009 was SEK 605 million (632). This figure includes a change of SEK 16 million (negative 16) in the value of the company's forests calculated in accordance with IAS 41.

Earnings from operations (i.e. earnings before changes in the value of forests) decreased by

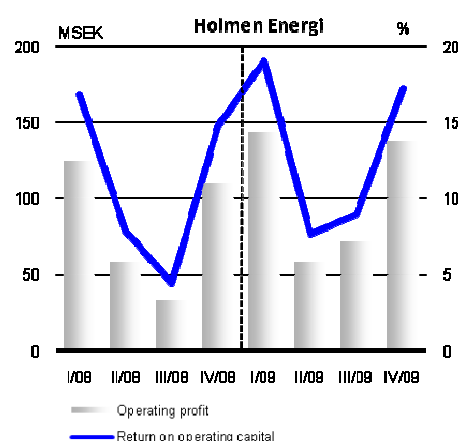
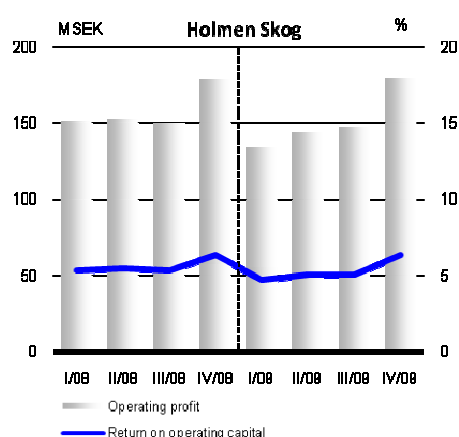
SEK 59 million to SEK 589 million due to lower prices, while increased harvesting of the company's forests had a positive impact on earnings. The extent of silviculture rose, leading to higher costs.

Compared to the third quarter, earnings from operations for the fourth quarter rose by SEK 98 million to SEK 214 million. Higher volumes of harvesting in the company's forests and seasonally lower silviculture costs had a favourable impact on the result.

| Holmen Energi | | Quarter | | Full year | |
|--------------------------------|------------|---------|-------|------------|--------|
| MSEK | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 465 | 363 | 501 | 1 628 | 1 834 |
| Operating costs | -320 | -286 | -386 | -1 194 | -1 488 |
| Depreciation according to plan | -7 | -5 | -5 | -21 | -19 |
| Operating profit | 138 | 72 | 110 | 414 | 327 |
| Capital expenditure | 19 | 15 | 35 | 88 | 76 |
| Operating capital | 3 207 | 3 175 | 3 006 | 3 207 | 3 006 |
| Return on operating capital, % | 17 | 9 | 15 | 13 | 11 |
| Production of hydro power, GWh | 355 | 229 | 311 | 1 090 | 1 128 |

Operating profit for 2009 reached SEK 414 million (327), and the improvement stems from higher prices. Production was two per cent lower than during a normal year.

Compared to the third quarter, operating profit climbed by SEK 66 million to SEK 138 million in the fourth quarter. Prices were better and production was higher than usual for this time of year. The levels in Holmen's water storage reservoirs were normal at the end of 2009.



Net financial items and financing

Net financial items for 2009 amounted to cost SEK 255 million (cost 311). Lower market interest rates reduced the borrowing cost to 3.5 per cent (4.5), while, net debt was on average somewhat higher than in the preceding year.

Cash flow from current operations totalled SEK 2 873 million, of which a reduction in tied up working capital accounted for SEK 678 million. Cash flow absorbed by investment activities was SEK 818 million. Dividend of SEK 756 million was paid to shareholders in the second quarter.

Since the turn of the year, the Group's financial net debt has decreased by SEK 1 821 million to SEK 5 683 million. The debt/equity ratio was 0.34. The equity ratio was 51 per cent.

Financial liabilities totalled SEK 6 091 million, of which SEK 2 298 million were current liabilities. Liquid funds and financial receivables reached SEK 407 million. In the fourth quarter, Holmen raised two new MTN loans, totalling SEK 1 500 million with four-year maturities, and entered into an agreement for a new seven-year credit facility of SEK 1 300 million. The Group subsequently has long-term committed credit facilities of SEK 7 480 million.

In December Standard & Poor's lowered its long-term corporate credit rating of Holmen from BBB+ to BBB. At the same time the short-term rating was lowered to A-2/K-2.

Equity

In 2009, the Group's equity increased by SEK 863 million to SEK 16 504 million. Profit for the year reached SEK 1 006 million, and the dividend paid was SEK 756 million. Equity has also been affected by other comprehensive income which consists of items such as actuarial revaluation of pension liability, currency revaluation of loans, revaluation of transaction hedges and restatement of assets in foreign entities as well as tax on these items. In 2009, other comprehensive income was SEK 613 million. This is mainly attributable to currency hedges with negative fair value that have expired and have therefore been realised and recognised in the income statement, and to the fact that the strengthened Swedish krona reduced the negative fair value of outstanding transaction hedges.

Tax

The stated tax charge totalled SEK 360 million, corresponding to 26.4 per cent of profit before tax. The tax cost includes SEK 30 million from a successful tax dispute resolution during the second quarter.

Judgment on tax case

On 15 January 2010, Stockholm County Administrative Court announced its judgment on the tax case involving Holmen's subsidiary MoDo Capital AB. Under the Court's judgment, MoDo Capital's depreciation deduction for the 1997 tax year is disallowed, which results in a tax cost estimated at a total of SEK 640 million. Holmen has previously provided information about the dispute in the Annual Report and Holmen has already made provision for the estimated tax cost. It is not anticipated that the judgment will have any impact on the Group result. Holmen will appeal against the judgment at the Administrative Court of Appeal.

Hedging exchange rates and electricity prices

The Group hedges parts of its future estimated net flows in foreign currencies. Operating profit for 2009 includes a loss of SEK 408 million (loss of 336) in currency hedging.

At year-end, some 90 per cent of the Group's estimated net flows in euro for 2010 were hedged at an exchange rate of SEK 9.7, for 2011 about 85 per cent at SEK 10.6, and for 2012 about 25 per cent at SEK 10.5. Four months' estimated flows in dollars were hedged at an exchange rate of SEK 6.9. The fair value of currency hedges not yet recognised in the income statement amounted to negative SEK 45 million at the end of 2009.

For the 2010–2012 period, the price of the Group's estimated net consumption of electricity in Sweden has been fully hedged, while some 85 per cent has been hedged for the 2013–2015 period.

Investments

Cash flow absorbed by investment activities totalled SEK 818 million in 2009 (1 124). Depreciation and amortisation according to plan reached SEK 1 320 million (1 343). The year's investments included a new hydro power station in Iggesund, improved water purification at Iggesund Mill and the ongoing investment in a new sawmill at Braviken.

Employees

The average number of employees (full-time equivalents) in the Group was 4 577 (4 829). The reduction is mainly due to the closure of Wargön Mill and staff cuts at Hallsta Paper Mill.

Share buy-backs

At the 2009 AGM, Holmen's shareholders renewed the Board's mandate to make decisions to buy back up to 10 per cent of all the company's shares. No buy-backs took place during the year. The company already owns 0.9 per cent of the shares to secure the company's undertaking pursuant to the call option scheme for employees.

The Board proposes that the AGM to be held on 24 March 2010 authorises the Board to buy back and transfer up to 10 per cent of all the company's own shares.

Dividend

The Board proposes that the AGM to be held on 24 March 2010 resolves in favour of paying a lowered dividend of SEK 7 (9) per share. The proposed record date for dividend is 29 March 2010.

The reason for the proposed reduction in dividend is that profitability is under downward pressure in the industry, mainly for paper products. The Group is also implementing investments, such as constructing a new sawmill. Holmen is reformulating its dividend target; in the past it was 5–7 per cent of the Group's equity, but future dividend will be based on the Group's profitability situation, future investment plans and the goal of having a strong financial position with a debt/equity ratio of 0.3–0.8.

Nomination committee proposals to the 2010 AGM

Holmen's nomination committee proposes the re-election of these board members: Fredrik Lundberg (who is also proposed for re-election as Chairman of the Board), Carl Bennet, Magnus Hall, Carl Kempe, Curt Källströmer, Hans Larsson, Ulf Lundahl and Göran Lundin. Lilian Fossum has declined re-election.

The nomination committee also proposes that the AGM elects Louise Lindh as a new Board member. Louise Lindh is 30 years old and has an MBA. She is Executive Vice President of Fastighets AB L E Lundberg and is a board member of Hufvudstaden AB.

The nomination committee's other proposals will be presented in the notice to the AGM.

For the period until the 2010 AGM, Holmen's nomination committee consists of: Mats Guldbrand, L E Lundbergföretagen; Alice Kempe, Kempe Foundations; Håkan Sandberg, Handelsbanken incl. pension fund; and Fredrik Lundberg, chairman of the Board. The chairman of the nomination committee is Mats Guldbrand.

Significant risks and uncertainties

The weak economy creates continued uncertainty about the market trend for the Group's products. The Group's and the parent company's significant risks and uncertainties relate primarily to changes in demand and the prices of its products, the cost of important input goods, and to changes in exchange rates. For a more detailed description of material risks and uncertainties see pages 45–46 and Note 27 in Holmen's annual report for 2008. In the tax case relating to Holmen's French subsidiary, the decision by the County Administrative Court, which was in favour of the company, has come into legal effect. The outcome had no impact on the result. For up-to-date information on the tax dispute affecting Holmen's subsidiary MoDo Capital AB, see the Judgment on tax case section on page 6 of this year-end report.

Related party transactions

There were no transactions between Holmen and related parties that had a significant effect on the company's financial position and performance.

Stockholm, 4 February 2010
Holmen AB (publ)

Magnus Hall
President and CEO

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

Interim report for January–March will be published on 6 May 2010.

For further information please contact:

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Anders Almgren, CFO, tel. +46 8 666 21 16
Ingela Carlsson, Public Relations Director, tel. +46 8 666 21 15

Accounting principles

The year-end report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. For the Parent company the year-end report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with Recommendation RFR 2.2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The parent company's and the Group's accounting policies used in the report are unchanged from the latest published annual report with the exception that the Group has applied a new presentation of results in accordance with changes in IAS 1 Presentation of Financial Statements. The introduction of IFRS 8 Operating Segments has no effect on the Group's definition of segments. The figures in tables are rounded off.

The Group

| Income statement, MSEK | Quarter | | | Full year | |
|---|------------|------------|------------|--------------|--------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Net turnover | 4 659 | 4 387 | 5 043 | 18 071 | 19 334 |
| Other operating income | 188 | 128 | 199 | 600 | 755 |
| Change in inventory of finished products | -163 | -127 | -147 | -381 | 106 |
| Raw materials, goods for resale and consumables | -2 267 | -2 163 | -2 701 | -9 017 | -10 929 |
| Personnel costs | -699 | -614 | -720 | -2 662 | -2 965 |
| Other operating costs | -945 | -891 | -1 040 | -3 709 | -3 885 |
| Depreciation according to plan | -334 | -322 | -333 | -1 320 | -1 343 |
| Write-downs | -22 | - | -1 | -22 | -57 |
| Change in value of biological assets | -35 | 31 | -26 | 16 | -16 |
| Interest in earnings of associated companies | 10 | 13 | 10 | 45 | 50 |
| Operating profit | 392 | 442 | 284 | 1 620 | 1 051 |
| Financial income | 4 | 2 | 7 | 12 | 17 |
| Financial costs | -63 | -57 | -96 | -267 | -328 |
| Profit before tax | 332 | 386 | 195 | 1 366 | 740 |
| Tax | -107 | -106 | 76 | -360 | -98 |
| Profit for the period | 225 | 280 | 271 | 1 006 | 642 |
| Earnings per share, before dilution, SEK | 2.7 | 3.3 | 3.2 | 12.0 | 7.6 |
| Earnings per share, after dilution, SEK | 2.7 | 3.3 | 3.2 | 12.0 | 7.6 |
| Operating margin, % * | 8.4 | 10.1 | 5.6 | 9.0 | 7.3 |
| Return on capital employed, % * | 7.0 | 7.8 | 4.9 | 7.2 | 6.1 |
| Return on equity, % | 5.5 | 7.0 | 6.9 | 6.4 | 3.9 |

| Statement of comprehensive income, MSEK | Quarter | | | Full year | |
|---|------------|------------|-------------|--------------|-------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Profit for the period | 225 | 280 | 271 | 1 006 | 642 |
| Other comprehensive income | | | | | |
| Cash flow hedges | -17 | 683 | -751 | 910 | -964 |
| Actuarial gains and losses related to pensions, including payroll tax | -8 | 43 | 32 | 15 | -169 |
| Translation difference on foreign operation | 57 | -438 | 366 | -256 | 445 |
| Hedge of currency risk in foreign operation | -39 | 305 | -423 | 254 | -541 |
| Tax attributable to items stated direct in equity | 17 | -272 | 308 | -310 | 452 |
| Total other comprehensive income | 10 | 322 | -468 | 613 | -778 |
| Total comprehensive income | 234 | 602 | -197 | 1 619 | -135 |

* Excl. items affecting comparability.

The Group

| Balance sheet, MSEK | 2009 31 December | 2009 30 September | 2008 31 December |
|--|-----------------------------|------------------------------|-----------------------------|
| Fixed assets | | | |
| Intangible fixed assets | 27 | 30 | 106 |
| Tangible fixed assets | 12 473 | 12 502 | 13 142 |
| Biological assets | 11 109 | 11 121 | 11 080 |
| Shares in associated companies | 1 770 | 1 760 | 1 824 |
| Other shares and participations | 10 | 11 | 11 |
| Long-term financial receivables | 166 | 170 | 87 |
| Deferred tax receivables | 304 | 305 | 342 |
| Total fixed assets | 25 859 | 25 899 | 26 593 |
| Current assets | | | |
| Inventories | 2 850 | 2 967 | 3 434 |
| Accounts receivables | 2 712 | 2 765 | 3 144 |
| Other short-term operating receivables | 513 | 581 | 689 |
| Short-term financial receivables | 60 | 32 | 88 |
| Liquid funds | 182 | 390 | 653 |
| Total current assets | 6 317 | 6 735 | 8 009 |
| Total assets | 32 176 | 32 634 | 34 602 |
| Equity | 16 504 | 16 270 | 15 641 |
| Long-term liabilities | | | |
| Long-term financial liabilities | 3 472 | 2 538 | 3 223 |
| Deferred tax liabilities | 5 045 | 5 168 | 4 819 |
| Pension provisions | 320 | 299 | 354 |
| Other provisions | 1 102 | 1 084 | 1 080 |
| Total long-term liabilities | 9 939 | 9 089 | 9 475 |
| Short-term liabilities | | | |
| Short-term financial liabilities | 2 298 | 4 042 | 4 756 |
| Liabilities to suppliers | 1 911 | 1 539 | 2 282 |
| Short-term provisions | 274 | 239 | 277 |
| Other operating liabilities | 1 250 | 1 456 | 2 171 |
| Total short-term liabilities | 5 733 | 7 276 | 9 486 |
| Total liabilities | 15 672 | 16 364 | 18 960 |
| Total equity and liabilities | 32 176 | 32 634 | 34 602 |
| Debt/equity ratio | 0.34 | 0.39 | 0.48 |
| Equity ratio, % | 51.3 | 49.9 | 45.2 |
| Operating capital | 26 929 | 27 420 | 27 623 |
| Capital employed | 22 188 | 22 557 | 23 146 |
| Financial net debt | 5 683 | 6 287 | 7 504 |
| Pledged assets | 21 | 21 | 25 |
| Contingent liabilities | 140 | 146 | 671 |

The Group

| Change in equity, MSEK | Full year | |
|--|---------------|--------|
| | 2009 | 2008 |
| Opening balance | 15 641 | 16 932 |
| Profit for the period | 1 006 | 642 |
| Other comprehensive income | 613 | -778 |
| Buy-backs of company's own shares | - | -153 |
| Premiums received or issued call options | - | 15 |
| Dividend | -756 | -1 017 |
| Closing balance | 16 504 | 15 641 |

| Share structure | | | | | |
|--|-------|---------------|--------------|-------------|---------|
| Share | Votes | No. of shares | No. of votes | Quota value | MSEK |
| A | 10 | 22 623 234 | 226 232 340 | 50 | 1 131.2 |
| B | 1 | 62 132 928 | 62 132 928 | 50 | 3 106.6 |
| Total number of shares | | 84 756 162 | 288 365 268 | | 4 237.8 |
| Holding of own B-shares | | -760 000 | -760 000 | | |
| Total number of shares in issue | | 83 996 162 | 287 605 268 | | |
| Issued call options, B-shares (exercise period 2013) | | | | | |
| | | 758 300 | | | |

The Group

| Cash flow analysis, MSEK | Quarter | | | Full year | |
|--|-------------|-------------|-------------|---------------|---------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Current operations | | | | | |
| Profit before tax | 332 | 386 | 195 | 1 366 | 740 |
| Adjustments for items not included in cash flow * | 308 | 397 | 424 | 1 163 | 1 797 |
| Paid income tax | -130 | -123 | 108 | -334 | -192 |
| Cash flow from current operations before changes in working capital | 510 | 661 | 727 | 2 195 | 2 345 |
| Cash flow from changes in working capital | | | | | |
| Change in inventories | 115 | 216 | -38 | 621 | -373 |
| Change in operating receivables | 55 | 52 | 210 | 445 | -40 |
| Change in operating liabilities | 147 | -70 | -384 | -389 | -273 |
| Cash flow from current operations | 828 | 859 | 514 | 2 873 | 1 660 |
| Investment activities | | | | | |
| Acquisition of fixed assets | -293 | -164 | -243 | -759 | -1 160 |
| Sale of fixed assets | 7 | 12 | 12 | 45 | 37 |
| Change in long term financial receivables | -24 | -80 | - | -104 | - |
| Cash flow from investment activities | -309 | -232 | -232 | -818 | -1 124 |
| Financing activities | | | | | |
| Change in financial liabilities and receivables | -727 | -702 | 39 | -1 766 | 866 |
| Buy-back / sale of own shares etc. ** | - | - | - | - | -138 |
| Dividend paid to the parent company's shareholders | - | - | - | -756 | -1 017 |
| Cash flow from financing activities | -727 | -702 | 39 | -2 522 | -289 |
| Cash flow for the period | -209 | -75 | 320 | -467 | 247 |
| Opening liquid funds | 390 | 470 | 324 | 653 | 394 |
| Exchange rate difference in liquid funds | -4 | -5 | 9 | -4 | 12 |
| Closing liquid funds | 177 | 390 | 653 | 182 | 653 |

| Change in financial net debt, MSEK | Quarter | | | Full year | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Opening financial net debt | -6 287 | -7 270 | -7 189 | -7 504 | -5 977 |
| Cash flow from current operations | 828 | 859 | 514 | 2 873 | 1 660 |
| Cash flow from investment activities (excl financial receivables) | -285 | -152 | -232 | -714 | -1 124 |
| Buy-back / sale of own shares etc. ** | - | - | - | - | -138 |
| Dividend paid | - | - | - | -756 | -1 017 |
| Actuarial revaluation of pension provision | -8 | 41 | 39 | 13 | -162 |
| Currency effects and changes in fair value | 69 | 234 | -636 | 405 | -746 |
| Closing financial net debt | -5 683 | -6 287 | -7 504 | -5 683 | -7 504 |

* The adjustments consist primarily of depreciation according to plan and write-downs of fixed assets, 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.

** Consists of buy-back of own shares (cost SEK 153 million) and received premiums of issued call options (SEK 15 million) related to an incentive scheme.

The Parent Company

| Income statement, MSEK | Quarter | | | Full year | |
|---|-------------|------------|-------------|--------------|-------------|
| | 4-09 | 3-09 | 4-08 | 2009 | 2008 |
| Operating income | 3 652 | 3 342 | 3 907 | 13 884 | 14 978 |
| Operating costs | -3 398 | -3 103 | -3 932 | -13 022 | -14 792 |
| Operating profit | 254 | 239 | -25 | 861 | 186 |
| Net financial items | - 439 | 381 | -490 | 746 | -761 |
| Profit after net financial items | -185 | 620 | -515 | 1 607 | -575 |
| Appropriations | 452 | -85 | 36 | 388 | -56 |
| Profit before tax | 267 | 534 | -479 | 1 995 | -630 |
| Tax | -174 | -112 | 165 | -331 | 195 |
| Profit for the period | 93 | 423 | -314 | 1 664 | -436 |

| Balance sheet, MSEK | 2009 | 2008 |
|-------------------------------------|---------------|---------------|
| | 31 December | 31 December |
| Fixed assets | 19 659 | 20 963 |
| Current assets | 4 661 | 6 140 |
| Total assets | 24 320 | 27 103 |
| Restricted equity | 5 915 | 5 915 |
| Non-restricted equity | 4 776 | 2 553 |
| Untaxed reserves | 2 363 | 2 751 |
| Provisions | 1 185 | 1 031 |
| Liabilities | 10 081 | 14 853 |
| Total equity and liabilities | 24 320 | 27 103 |
| Pledged assets | 6 | 6 |
| Contingent liabilities | 717 | 766 |

Sales to Group companies accounted for SEK 103 million (134) of operating income for 2009.

Net financial items for 2009 include dividends from and impairment losses relating to subsidiaries totalling SEK 720 million (15) and gains of SEK 254 million (loss of 541) on hedges of equity in foreign subsidiaries.

In 2009 the parent company's investments in tangible and intangible fixed assets reached SEK 40 million (57).

The Group

| Quarterly figures, MSEK | 2009 | | | | 2008 | | | | Full year | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | 2009 | 2008 |
| Income statement | | | | | | | | | | |
| Net turnover | 4 659 | 4 387 | 4 496 | 4 529 | 5 043 | 4 591 | 4 826 | 4 875 | 18 071 | 19 334 |
| Operating costs | -3 943 | -3 636 | -3 806 | -3 789 | -4 437 | -3 909 | -4 178 | -4 107 | -15 175 | -16 630 |
| Depreciation according to plan | -334 | -322 | -333 | -332 | -333 | -337 | -339 | -334 | -1 320 | -1 343 |
| Interest in earnings of associated companies | 10 | 13 | 15 | 7 | 10 | 16 | 12 | 12 | 45 | 50 |
| Items affecting comparability * | - | - | - | - | - | -298 | -63 | - | - | -361 |
| Operating profit | 392 | 442 | 372 | 415 | 284 | 64 | 257 | 446 | 1 620 | 1 051 |
| Net financial items | -60 | -55 | -66 | -74 | -89 | -85 | -73 | -64 | -255 | -311 |
| Profit before tax | 332 | 386 | 306 | 341 | 195 | -22 | 185 | 383 | 1 366 | 740 |
| Tax | -107 | -106 | -51 | -96 | 76 | -2 | -61 | -111 | -360 | -98 |
| Profit for the period | 225 | 280 | 256 | 245 | 271 | -24 | 124 | 271 | 1 006 | 642 |
| Earnings per share, after dilution, SEK | 2.7 | 3.3 | 3.0 | 2.9 | 3.2 | -0.3 | 1.5 | 3.2 | 12.0 | 7.6 |
| Net turnover | | | | | | | | | | |
| Holmen Paper | 2 310 | 2 348 | 2 361 | 2 284 | 2 854 | 2 517 | 2 547 | 2 525 | 9 303 | 10 443 |
| Iggesund Paperboard | 1 260 | 1 223 | 1 274 | 1 266 | 1 194 | 1 210 | 1 219 | 1 237 | 5 023 | 4 860 |
| Holmen Timber | 155 | 142 | 130 | 127 | 109 | 116 | 124 | 149 | 553 | 499 |
| Holmen Skog | 1 306 | 1 048 | 1 163 | 1 283 | 1 365 | 1 208 | 1 433 | 1 436 | 4 799 | 5 443 |
| Holmen Energi | 465 | 363 | 359 | 442 | 501 | 442 | 392 | 499 | 1 628 | 1 834 |
| Elimination of intra-group sales | -837 | -737 | -791 | -872 | -980 | -902 | -890 | -972 | -3 236 | -3 745 |
| Group | 4 659 | 4 387 | 4 496 | 4 529 | 5 043 | 4 591 | 4 826 | 4 875 | 18 071 | 19 334 |
| Operating profit | | | | | | | | | | |
| Holmen Paper | -34 | 107 | 150 | 117 | 20 | 80 | 100 | 80 | 340 | 280 |
| Iggesund Paperboard | 140 | 128 | 77 | 73 | 16 | 127 | 61 | 116 | 419 | 320 |
| Holmen Timber | 19 | 13 | 5 | -16 | -7 | -1 | -2 | 23 | 21 | 13 |
| Holmen Skog | 179 | 147 | 144 | 134 | 179 | 150 | 152 | 151 | 605 | 632 |
| Holmen Energi | 138 | 72 | 59 | 144 | 110 | 33 | 58 | 125 | 414 | 327 |
| Group central costs and other | -50 | -43 | -51 | -47 | -30 | -21 | -50 | -48 | -191 | -149 |
| Elimination of internal operating profit | 0 | 16 | -11 | 9 | -4 | -6 | 1 | 0 | 13 | -10 |
| Items affecting comparability * | - | - | - | - | - | -298 | -63 | - | - | -361 |
| Group | 392 | 442 | 372 | 415 | 284 | 64 | 257 | 446 | 1 620 | 1 051 |
| Operating margin, % ** | | | | | | | | | | |
| Holmen Paper | -1.5 | 4.6 | 6.3 | 5.1 | 0.7 | 3.2 | 3.9 | 3.2 | 3.7 | 2.7 |
| Iggesund Paperboard | 11.1 | 10.5 | 6.1 | 5.8 | 1.4 | 10.5 | 5.0 | 9.3 | 8.3 | 6.6 |
| Holmen Timber | 12.2 | 9.5 | 3.5 | -12.4 | -6.8 | -1.1 | -1.5 | 15.3 | 3.8 | 2.5 |
| Group | 8.4 | 10.1 | 8.3 | 9.2 | 5.6 | 7.5 | 6.4 | 9.2 | 9.0 | 7.3 |
| Return on operating capital, % ** | | | | | | | | | | |
| Holmen Paper | -1.5 | 4.5 | 6.0 | 4.6 | 0.8 | 3.2 | 4.0 | 3.3 | 3.5 | 2.8 |
| Iggesund Paperboard | 13.6 | 12.1 | 7.2 | 6.9 | 1.5 | 12.1 | 5.8 | 11.1 | 9.9 | 7.5 |
| Holmen Timber | 21.0 | 16.7 | 5.6 | -17.7 | -7.9 | -1.3 | -2.1 | 26.2 | 6.2 | 3.5 |
| Holmen Skog | 6.3 | 5.1 | 5.0 | 4.7 | 6.3 | 5.3 | 5.4 | 5.3 | 5.3 | 5.6 |
| Holmen Energi | 17.3 | 9.1 | 7.7 | 19.1 | 14.8 | 4.5 | 7.9 | 16.9 | 13.3 | 11.1 |
| Group | 5.8 | 6.4 | 5.5 | 6.1 | 4.1 | 5.1 | 4.5 | 6.4 | 5.9 | 5.0 |
| Key ratios | | | | | | | | | | |
| Return on capital employed, % ** | 7.0 | 7.8 | 6.6 | 7.3 | 4.9 | 6.3 | 5.6 | 7.8 | 7.2 | 6.1 |
| Return on equity, % | 5.5 | 7.0 | 6.6 | 6.4 | 6.9 | -0.6 | 3.0 | 6.4 | 6.4 | 3.9 |
| Deliveries | | | | | | | | | | |
| Newsprint and magazine paper, 1 000 tonnes | 456 | 455 | 437 | 397 | 539 | 493 | 508 | 503 | 1 745 | 2 044 |
| Paperboard, 1 000 tonnes | 123 | 118 | 119 | 117 | 115 | 124 | 127 | 127 | 477 | 494 |
| Sawn timber, 1 000 m ³ | 76 | 76 | 80 | 81 | 63 | 66 | 66 | 72 | 313 | 266 |
| Harvesting company forests, 1 000 m ³ | 859 | 704 | 753 | 580 | 770 | 631 | 714 | 534 | 2 897 | 2 649 |
| Production of hydro power, GWh | 355 | 229 | 203 | 304 | 311 | 176 | 254 | 388 | 1 090 | 1 128 |

* Item affecting comparability in the third quarter of 2008 relates to a provision of costs for the closure of Wargön Mill of SEK 298 million.

The second quarter figure includes a net cost of SEK 63 million for the closure of PM 2 at Hallsta Paper Mill and the fire at Braviken Paper Mill.

** Excl. items affecting comparability.

The Group

| Full year review, MSEK | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
| Income statement | | | | | | | | | | |
| Net turnover | 18 071 | 19 334 | 19 159 | 18 592 | 16 319 | 15 653 | 15 816 | 16 081 | 16 655 | 15 155 |
| Operating costs | -15 175 | -16 630 | -15 548 | -14 954 | -13 205 | -12 570 | -12 306 | -12 205 | -12 460 | -11 843 |
| Depreciation according to plan | -1 320 | -1 343 | -1 337 | -1 346 | -1 167 | -1 156 | -1 166 | -1 153 | -1 126 | -1 045 |
| Interest in earnings of associated companies | 45 | 50 | 12 | 11 | 20 | 25 | -6 | -10 | -3 | 552 |
| Items affecting comparability * | - | -361 | 557 | - | - | - | - | - | -620 | 2 023 |
| Operating profit | 1 620 | 1 051 | 2 843 | 2 303 | 1 967 | 1 952 | 2 338 | 2 713 | 2 446 | 4 842 |
| Net financial items | -255 | -311 | -261 | -247 | -233 | -206 | -212 | -149 | -152 | -101 |
| Profit before tax | 1 366 | 740 | 2 582 | 2 056 | 1 734 | 1 746 | 2 126 | 2 564 | 2 294 | 4 741 |
| Tax | -360 | -98 | -1 077 | -597 | -478 | -471 | -675 | -605 | -108 | -769 |
| Profit for the year | 1 006 | 642 | 1 505 | 1 459 | 1 256 | 1 275 | 1 451 | 1 959 | 2 186 | 3 972 |
| Earnings per share, after dilution, SEK | 12.0 | 7.6 | 17.8 | 17.2 | 14.8 | 15.1 | 17.5 | 23.6 | 26.4 | 44.7 |
| Operating profit by business area | | | | | | | | | | |
| Holmen Paper | 340 | 280 | 623 | 754 | 631 | 487 | 747 | 1 664 | 2 410 | 1 389 |
| Iggesund Paperboard | 419 | 320 | 599 | 752 | 626 | 809 | 1 001 | 818 | 455 | 569 |
| Holmen Timber | 21 | 13 | 146 | 80 | 13 | 5 | 18 | -6 | -79 | -116 |
| Holmen Skog | 605 | 632 | 702 | 643 | 537 | 586 | 516 | 450 | 455 | 466 |
| Holmen Energi | 414 | 327 | 272 | 197 | 301 | 178 | 193 | -26 | 49 | 99 |
| Group central costs and eliminations | -178 | -159 | -56 | -123 | -141 | -113 | -137 | -187 | -224 | -112 |
| Items affecting comparability * | - | -361 | 557 | - | - | - | - | - | -620 | 2 023 |
| Divested activities | - | - | - | - | - | - | - | - | - | 524 |
| Group | 1 620 | 1 051 | 2 843 | 2 303 | 1 967 | 1 952 | 2 338 | 2 713 | 2 446 | 4 842 |
| Balance sheet | | | | | | | | | | |
| Fixed assets | 25 694 | 26 506 | 26 153 | 25 354 | 25 793 | 23 381 | 20 940 | 21 357 | 19 150 | 18 955 |
| Current assets | 6 075 | 7 268 | 6 549 | 6 138 | 5 709 | 5 149 | 4 743 | 4 922 | 5 366 | 5 330 |
| Financial receivables | 407 | 828 | 541 | 649 | 712 | 459 | 675 | 688 | 432 | 2 015 |
| Total assets | 32 176 | 34 602 | 33 243 | 32 141 | 32 214 | 28 989 | 26 358 | 26 967 | 24 948 | 26 300 |
| Equity | 16 504 | 15 641 | 16 932 | 16 636 | 16 007 | 15 635 | 15 366 | 15 185 | 14 072 | 17 014 |
| Deferred tax liability | 5 045 | 4 819 | 5 482 | 5 030 | 5 143 | 5 177 | 4 557 | 4 370 | 4 014 | 4 264 |
| Financial liabilities | 6 091 | 8 332 | 6 518 | 6 634 | 7 351 | 5 335 | 4 044 | 4 496 | 3 593 | 1 721 |
| Operating liabilities | 4 536 | 5 809 | 4 310 | 3 841 | 3 713 | 2 842 | 2 391 | 2 916 | 3 269 | 3 301 |
| Total equity and liabilities | 32 176 | 34 602 | 33 243 | 32 141 | 32 214 | 28 989 | 26 358 | 26 967 | 24 948 | 26 300 |
| Cash flow | | | | | | | | | | |
| Current operations | 2 873 | 1 660 | 2 476 | 2 358 | 2 471 | 2 331 | 2 443 | 3 498 | 3 786 | 1 925 |
| Investment activities | -818 | -1 124 | -1 315 | -947 | -3 029 | -1 195 | -726 | -1 810 | -1 669 | -2 019 |
| Cash flow after capital expenditure | 2 054 | 536 | 1 161 | 1 411 | -558 | 1 136 | 1 717 | 1 688 | 2 117 | -94 |
| Key ratios | | | | | | | | | | |
| Return on capital employed, % ** | 7 | 6 | 10 | 10 | 9 | 10 | 12 | 16 | 18 | 15 |
| Return on equity, % | 6 | 4 | 9 | 9 | 8 | 8 | 10 | 14 | 16 | 24 |
| Debt/equity ratio | 0.34 | 0.48 | 0.35 | 0.36 | 0.41 | 0.31 | 0.22 | 0.25 | 0.22 | -0.02 |
| Dividend | | | | | | | | | | |
| Ordinary dividend, SEK | 7 *** | 9 | 12 | 12 | 11 | 10 | 10 | 11 | 10 | 9 |
| Extra dividend, SEK | - | - | - | - | - | - | 30 | - | - | 60 |

* Items affecting comparability in 2008 of cost SEK 361 million relate to provisions and costs due to restructure and closure of mills and result effects from fire. Items affecting comparability in 2007 relate to a write-down of goodwill and tangible fixed assets of SEK -1 603 million within Holmen Paper, a reversed write-down of SEK 60 million within Holmen Timber, and a positive revaluation of forests by SEK 2 100 million within Holmen Skog.

** Excl. items affecting comparability.

*** Proposal of the Board.

Stated in accordance with IFRS from 2004. As far as Holmen is concerned, the principal difference between IFRS and previous accounting principles is that forest assets are valued and stated in the accounts at fair value, that goodwill is no longer depreciated according to plan, and that the fair value of financial assets and liabilities that are hedged are taken into the balance sheet.

Holmen in brief

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

The business area **Holmen Paper** manufactures printing paper for daily newspapers, magazines, directories, advertising material and books at two Swedish mills and one Spanish mill. **Iggesund Paperboard** produces paperboard for packaging and graphic purposes at one Swedish and one English mill. **Holmen Timber** produces sawn timber in one Swedish sawmill. Annual production capacity is 1 940 000 tonnes of printing paper, 530 000 tonnes of paperboard (after the structural change at Workington Mill) and 340 000 cubic metres of sawn timber.

Holmen Skog manages the Group's forest covering just over one million hectares. The annual volume harvested in company forests is some 2.5 million cubic metres. **Holmen Energi** is responsible for the Group's hydro power assets and for developing the Group's business within the energy sector. Normal yearly production amounts to some 1 100 GWh of electric power at wholly and partly owned hydro power stations in Sweden. Holmen Skog and Holmen Energi are also responsible for the Group's wood and electricity supply in Sweden.

Press and analyst conference

On the publication of the interim report, a press and analyst conference will be held at 16.00 CET on Thursday February 4. **Venue: IVA Konferenscenter, Grev Turegatan 16, Stockholm.** Holmen President and CEO Magnus Hall 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. You may also participate in the conference by telephone, by calling +46 (0)8 505 598 53 (within Sweden), +44 (0)203 043 24 36 (from the rest of Europe) or +1 866 458 40 87 (from the US) no later than 15.55 CET.

Annual Report 2009

The Annual Report for 2009 will be posted in the week starting 8 March to shareholders who have indicated their wish to receive it. In connection with the distribution of the shareholder magazine *Holmen Business Report*, new shareholders will be informed how to order and cancel printed and electronically transmitted financial information via the website under Shareholder service. Financial information may also be ordered via the company's website under Publications and order.

Annual General Meeting 2010

Annual General Meeting will be held in Stockholm on 24 March 2010.

Financial reports in 2010

| | |
|-----------------|----------------------------------|
| 6 May 2010 | Interim report January–March |
| 11 August 2010 | Interim report January–June |
| 26 October 2010 | Interim report January–September |

In its capacity as issuer, Holmen AB is releasing the information in this Year-end Report for 2009 in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 13.20 CET on Thursday 4 February 2010.