

Interim report January-September 2011

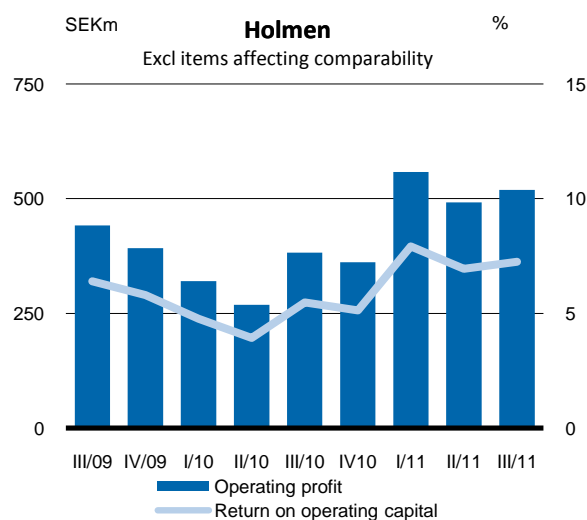
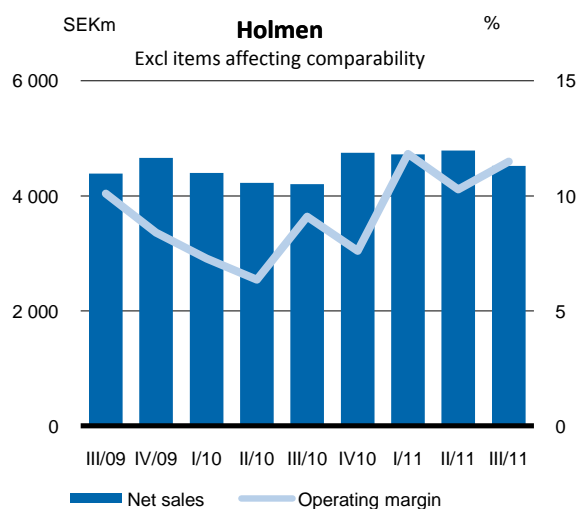
SEKm	3-11	Quarter 2-11	3-10	January-September 2011	January-September 2010	Full year 2010
Net turnover	4 518	4 787	4 205	14 026	12 833	17 581
EBITDA*	838	808	697	2 511	1 910	2 583
Operating profit*	519	492	383	1 570	971	1 332
Profit after tax	343	302	216	1 015	528	704
Earnings per share, SEK	4.1	3.6	2.6	12.1	6.3	8.4
Return on equity, %	8.1	7.3	5.2	8.1	4.3	4.2

*Excluding SEK 264 million of items affecting comparability for 2010.

- Profit after tax for January–September 2011 was SEK 1 015 million (January–September 2010: SEK 528 million).
- Earnings per share reached SEK 12.1 (6.3). Return on equity totalled 8.1 per cent (4.3).
- Operating profit amounted to SEK 1 570 million (971). The improvement is explained by higher prices for newsprint and paperboard, while higher costs for wood and recovered paper had an adverse impact on the result.

Compared to the second quarter, operating profit rose by SEK 27 million to SEK 519 million. Hydro power production was high for the time of year, and staff costs were seasonally low, while a large maintenance stoppage had an adverse impact on profit.

- Demand for both newsprint and paperboard in Europe weakened during the third quarter, and the market for sawn timber remained weak.



Holmen Paper SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Net sales	2 102	2 215	1 982	6 487	5 919	8 142
Operating costs	-1 802	-1 953	-1 901	-5 674	-5 756	-7 913
EBITDA	300	262	81	813	163	229
Depreciation and amortisation according to plan	-195	-193	-210	-582	-640	-847
Items affecting comparability	-	-	-	-	-	-786
Operating profit	105	70	-129	231	-477	-1 404
<i>Operating profit excl. items affecting comp.</i>	105	70	-129	231	-477	-618
Investments	52	48	80	149	165	211
Operating capital	6 855	6 985	7 909	6 855	7 909	6 954
Operating margin, % *	5	3	-7	4	-8	-8
Return on operating capital, % *	6	4	-6	4	-8	-8
Production, '000 tonnes	416	416	413	1 278	1 260	1 713
Deliveries, '000 tonnes	402	426	425	1 246	1 266	1 732

* Excl. Items affecting comparability.

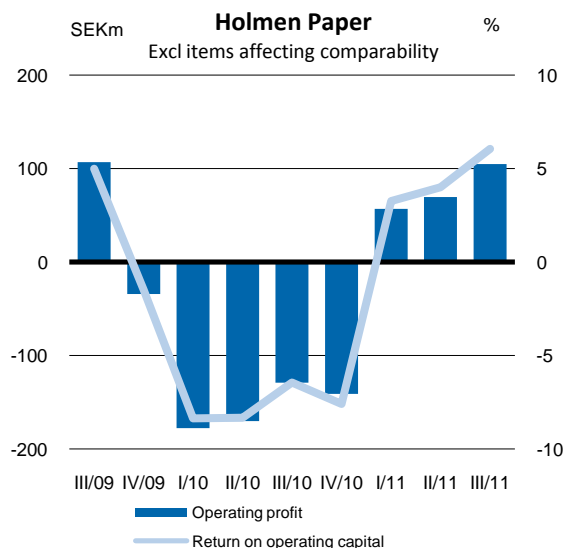
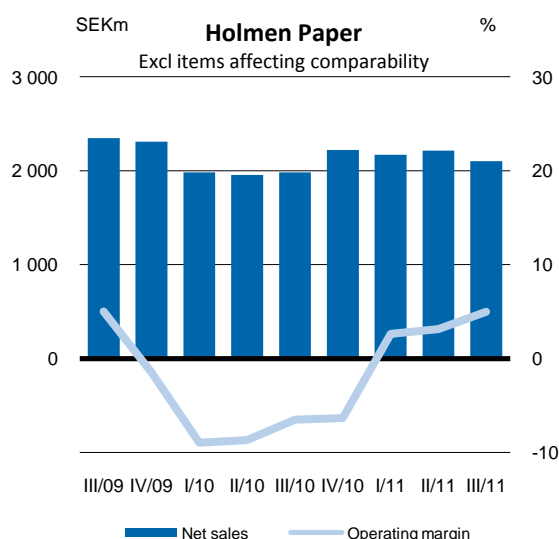
The total demand for newsprint in Europe was weak during the third quarter, with 5 per cent lower deliveries than during the corresponding quarter in 2010. The overall decline in deliveries for the year was 1 per cent. For MF Magazine, demand increased by 3 per cent during January–September. Here too, however, demand was slightly weaker in the third quarter. Newsprint prices were increased slightly at the end of the first half-year.

Holmen Paper's deliveries amounted to 1 246 000 tonnes during January–September, which is slightly lower than last year following the closure of PM 61 in Madrid. The proportion of MF Magazine and other MF Special products has risen to 49 (43) per cent.

Deliveries decreased during the third quarter, mainly as a consequence of normal seasonal patterns. Minor market-related production stoppages were carried out.

Operating profit for January–September reached SEK 231 million (loss of 477). Substantial price increases had a positive impact on profit, while the costs of wood and recovered paper rose. Implemented rationalisation initiatives have reduced fixed costs.

Profit for the third quarter improved by SEK 35 million to SEK 105 million, mainly due to seasonally lower staff costs.



Iggesund Paperboard SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Net sales	1 296	1 340	1 225	3 892	3 558	4 849
Operating costs	-1 016	-1 021	-898	-2 970	-2 730	-3 708
EBITDA	279	319	327	922	828	1 141
Depreciation and amortisation according to plan	-80	-81	-84	-241	-241	-324
Operating profit	199	238	243	681	587	817
Investments	336	208	65	740	257	521
Operating capital	4 705	4 673	4 141	4 705	4 141	4 313
Operating margin, %	15	18	20	17	17	17
Return on operating capital, %	17	21	23	20	19	20
Production, paperboard, '000 tonnes	108	124	126	358	346	463
Deliveries, paperboard, '000 tonnes	121	127	118	365	343	464

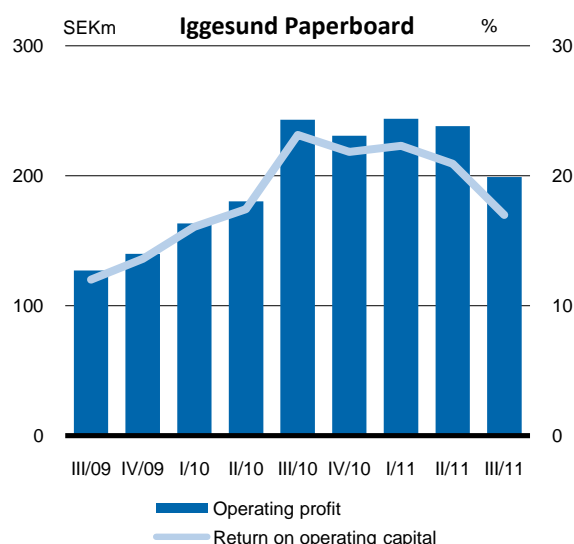
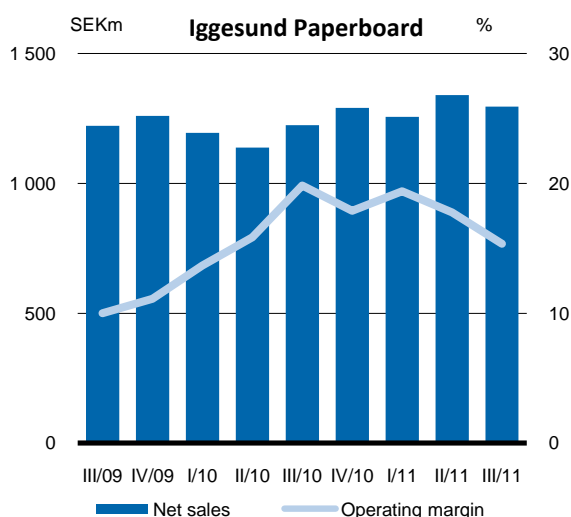
Demand for solid bleached board and folding boxboard weakened during the third quarter. Deliveries from European producers to Europe were 5 per cent lower than in the corresponding period last year. The overall decline in deliveries for the year was 2 per cent.

Iggesund Paperboard's deliveries totalled 365 000 tonnes, which was 6 per cent up on the same period of 2010. The strike at Iggesund Mill had an adverse impact on last year's deliveries.

Operating profit for January–September amounted to SEK 681 million (587). The improvement in profit is due to higher selling prices following price increases implemented in 2010. Costs increased following maintenance stoppages and rising prices for input goods.

Compared with the second quarter, there was a decline in profit of SEK 39 million to SEK 199 million as a consequence of costs and a fall in production related to a major maintenance stoppage at Iggesund Mill. Staff costs were seasonally low.

The two major investment projects, a new recovery boiler and turbine at Iggesund Mill and a new biofuel boiler at Workington, are proceeding as planned. SEK 1.1 billion out of a total of SEK 3.4 billion has been paid, and operation is estimated to commence in mid-2012 and the spring of 2013, respectively. The projects will reduce energy costs and enhance the competitiveness of the mills.



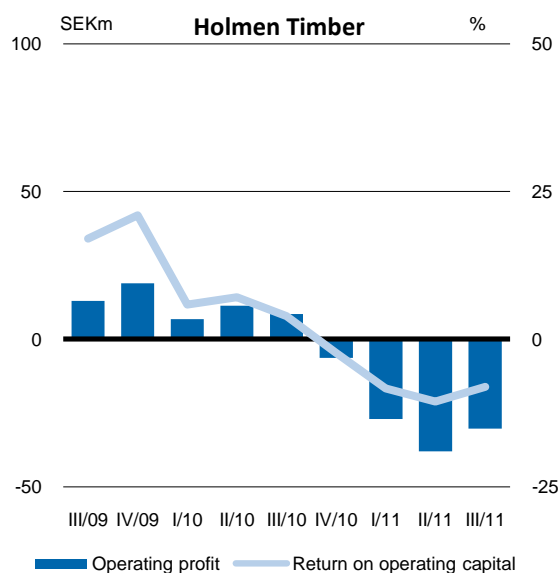
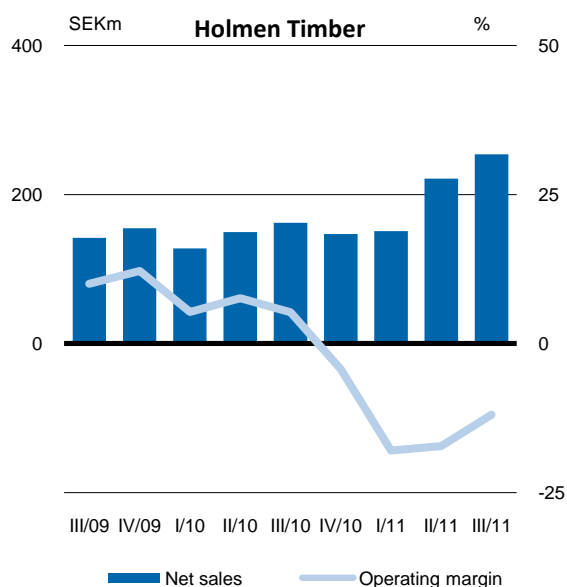
Holmen Timber SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Net sales	254	221	162	626	439	586
Operating costs	-252	-229	-146	-640	-391	-537
EBITDA	2	-8	15	-14	49	49
Depreciation and amortisation according to plan	-32	-31	-7	-82	-22	-29
Operating profit	-30	-38	8	-95	27	20
Investments	20	143	212	335	552	800
Operating capital	1 526	1 482	972	1 526	972	1 192
Operating margin, %	-12	-17	5	-15	6	4
Return on operating capital, %	-8	-11	4	-9	5	3
Production, '000 m ³	152	140	70	403	214	285
Deliveries, '000 m ³	141	123	77	343	211	285

The market for sawn timber remains weak. Market prices were largely unchanged in the third quarter.

Holmen Timber's deliveries amounted to 343 000 cubic metres during January–September, of which 127 000 cubic metres consisted of spruce from the new sawmill in Braviken. Production at Braviken Sawmill amounted to 183 000 cubic metres.

Holmen Timber had an operating loss of SEK 95 million (profit of 27). The weak outcome was due to depreciation/amortisation and start-up costs for the new sawmill in Braviken, high raw material prices and a weak market with price pressure.

Compared with the second quarter, the operating loss was reduced by SEK 8 million to SEK -30 million. Productivity improved and staff costs were seasonally lower.



Holmen Skog SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Net sales	1 469	1 594	1 281	4 759	4 130	5 585
Operating costs	-1 309	-1 415	-1 110	-4 175	-3 546	-4 791
Depreciation and amortisation according to plan	-7	-7	-6	-21	-18	-28
Earnings from operations	153	172	165	563	566	766
Change in value of forests	11	6	47	0	49	52
Items affecting comparability	-	-	-	-	-	1 050
Operating profit	164	178	212	563	615	1 868
<i>Operating profit excl. items affecting comp.</i>	164	178	212	563	615	818
Investments	26	17	7	41	5	-3
Operating capital	12 654	12 557	11 511	12 654	11 511	12 597
Return on operating capital, % *	5	6	7	6	7	7
Harvesting company forests, '000 m ³	734	792	711	2 190	2 236	2 999

* Based on earnings from operations.

Demand for pulpwood was good but weakened during the latter part of the quarter. The sawmills' demand for timber was slightly lower than normal. Timber and pulpwood prices remained high, although price reductions have been announced.

Holmen Skog's operating profit for January–September amounted to SEK 563 million (615). Earnings from operations (before change in value of forests) amounted to SEK 563 million (566).

The effects of higher timber and pulpwood prices were counteracted by slightly lower harvesting volumes and higher harvesting costs.

Compared to the second quarter, earnings from operations declined by SEK 19 million to SEK 153 million, primarily due to lower harvesting levels.

Holmen Energi SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Net sales	437	436	419	1 367	1 376	1 932
Operating costs	-324	-357	-317	-1 064	-992	-1 416
Depreciation and amortisation according to plan	-5	-5	-5	-14	-16	-21
Operating profit	108	75	96	289	368	495
Investments	4	7	10	11	27	65
Operating capital	3 246	3 226	3 223	3 246	3 223	3 235
Return on operating capital, %	13	9	12	12	15	15
Production of company hydro power, GWh	342	234	268	852	846	1 145

Operating profit reached SEK 289 million (368) for January–September. The decrease is attributable to lower prices compared to the very high levels last year. Production was at the same level as last year, which is 7 per cent higher than in a normal year.

Compared to the second quarter, operating profit rose by SEK 33 million to SEK 108 million. Production was very high as a consequence of a strong inflow to Holmen's water storage reservoirs. At the end of September, the level in the water storage reservoirs was slightly above normal for the time of year.

Net financial items and financing

Net financial items for January–September amounted to SEK -186 million (-161). During the period, interest costs in the amount of SEK 22 million (14) were capitalised in connection with major investment projects, and consequently reduced the recognised interest expense. Borrowing costs increased to SEK 4.4 per cent (3.8), mainly due to higher market interest rates.

Cash flow from operating activities totalled SEK 1 636 million. Cash flow from investing activities was SEK -1 243 million. Dividend of SEK 588 million was paid in the second quarter.

Since the turn of the year, the Group's net financial debt has increased by SEK 402 million to SEK 6 174 million. The debt/equity ratio was 0.36 and the equity/assets ratio was 51 per cent. Financial liabilities including pension provisions totalled SEK 6 420 million, of which SEK 2 776 million were current liabilities. Cash, cash equivalents and financial receivables totalled SEK 245 million. The Group has unused long-term contractually agreed credit facilities of SEK 5 574 million, maturing in 2016–2017.

Equity

In January–September, the Group's equity increased by SEK 71 million to SEK 16 983 million. Profit for the period totalled SEK 1 015 million. The dividend paid was SEK 588 million. In addition, other comprehensive income totalled SEK -357 million. This is mainly attributable to the fact that transaction hedges with a positive fair value matured during the period.

Tax

Recognised tax for January–September was SEK -368 million. The recognised tax in relation to profit before tax was 27 per cent.

Hedging exchange rates and electricity prices

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–September includes currency hedges of SEK 462 million (107).

At the end of the quarter, of the Group's estimated net flows in euro against SEK for the remainder of 2011, about 90 per cent was hedged at an exchange rate of SEK 10.1, and for January–April 2012 about 70 per cent was hedged at an exchange rate of SEK 10.4. The fair value of currency hedges not yet entered as income amounted to SEK 142 million at the end of the quarter.

About 90 per cent of the price of the Group's estimated net consumption of electricity in Sweden has been hedged for the remainder of 2011 and 2012, while approximately 80 per cent has been hedged for the 2013–2015 period and about 30 per cent for 2016–2021.

Investments

Cash flow from investing activities was SEK -1 243 million (-994) in the January–September period. Scheduled depreciation and amortisation totalled SEK 941 million (939). The majority of the investments were in the new sawmill at Braviken, in the new recovery boiler and turbine at Iggesund Mill and in the new biofuel boiler at Workington.

Employees

The average number of employees (full-time equivalents) in the Group was 4 069 (4 281). The reduction is mainly attributable to cutbacks in Holmen Paper.

Share buy-backs

At the 2011 AGM, authorisation was granted to the Board enabling the acquisition of up to 10 per cent of the company's shares. No buy-backs have taken place during the year. The company already owns 0.9 per cent of the total number of shares to secure the company's commitments pursuant to the call option scheme for employees.

Material risks and uncertainties

The Group's and the parent company's material risks and uncertainties relate primarily to trends in demand and the price of its products, the cost of key input goods and exchange rate changes. For a more detailed description of material risks and uncertainties, see Holmen's annual report for 2010 (pages 36–39 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.

Stockholm, October 26, 2011
Holmen AB (publ)

Magnus Hall
President and CEO

Year-end report for 2011 will be published on 2 February 2012.

For further information please contact:

Magnus Hall, President and CEO, tel. +46 8 666 21 05
Anders Jernhall, CFO, tel. +46 8 666 21 22
Ingela Carlsson, Public Relations Director, tel. +46 70 212 97 12

Review Report

Introduction

We have conducted a review of the condensed interim financial information (interim report) for the Holmen Group at 30 September 2011 and the nine-month reporting period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim report based on our review.

Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than that of an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a

review do not enable us to obtain a level of assurance that would make us aware of all significant matters that could have been identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the parent company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 26 October 2011

KPMG AB

George Pettersson
Authorised Public Accountant

Accounting principles

The interim 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 interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with Recommendation RFR 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. Change in RFR2 regarding reporting of Group contribution will be applied as of the fourth quarter. The figures in tables are rounded off.

The Group

Income statement, SEKm	Quarter			January-September		Full year
	3-11	2-11	3-10	2011	2010	2010
Net sales	4 518	4 787	4 205	14 026	12 833	17 581
Other operating income	66	219	121	479	584	862
Change in inventories	10	-42	24	209	54	0
Raw materials and consumables	-2 315	-2 594	-2 298	-7 768	-7 147	-9 800
Staff costs	-560	-636	-568	-1 803	-1 855	-2 689
Other operating costs	-898	-937	-842	-2 660	-2 632	-3 616
Depreciation and amortisation according to plan	-319	-316	-314	-941	-939	-1 251
Impairment losses	-	-	-	-	-	-555
Change in value of biological assets	11	6	47	0	49	1 102
Interest in earnings of associates	6	5	7	28	24	-38
Operating profit	519	492	383	1 570	971	1 596
Finance income	4	2	2	10	6	12
Finance costs	-68	-66	-56	-196	-167	-220
Profit before tax	455	428	329	1 384	810	1 388
Tax	-112	-125	-113	-368	-282	-684
Profit for the period	343	302	216	1 015	528	704
Earnings per share, basic, SEK	4.1	3.6	2.6	12.1	6.3	8.4
Earnings per share, diluted, SEK	4.1	3.6	2.6	12.1	6.3	8.4
Operating margin, % *	11.5	10.3	9.0	11.2	7.6	7.6
Return on capital employed, % *	9.0	8.7	6.7	9.2	5.8	5.9
Return on equity, %	8.1	7.3	5.2	8.1	4.3	4.2

Statement of comprehensive income, SEKm	Quarter			January-September		Full year
	3-11	2-11	3-10	2011	2010	2010
Profit for the period	343	302	216	1 015	528	704
Other comprehensive income						
Cash flow hedging	-180	-232	161	-504	688	686
Actuarial gains and losses in respect of pensions, incl. special employer's contribution	-79	15	82	-85	97	97
Translation difference on foreign operation	110	72	-280	109	-569	-631
Hedging of currency risk in foreign operation	-21	-58	151	-45	432	472
Tax attributable to other comprehensive income	74	72	-105	167	-322	-333
Total other comprehensive income	-96	-131	10	-357	327	292
Total comprehensive income	247	171	226	658	855	996

* Excl. items affecting comparability.

The Group

Balance sheet, SEKm	2011 30 September	2011 30 June	2010 31 December
Non-current assets			
Intangible non-current assets	16	12	19
Property, plant and equipment	12 246	12 024	11 877
Biological assets	12 177	12 155	12 161
Interests in associates	1 785	1 776	1 748
Other shares and participating interests	12	12	12
Non-current financial receivables	104	132	188
Deferred tax assets	189	182	210
Total non-current assets	26 530	26 295	26 216
Current assets			
Inventories	3 650	3 406	3 340
Trade receivables	2 470	2 685	2 518
Current tax receivable	9	12	4
Other operating receivables	637	839	1 088
Current financial receivables	37	25	73
Cash and cash equivalents	105	104	193
Total current assets	6 909	7 071	7 216
Total assets	33 438	33 366	33 432
Equity	16 983	16 736	16 913
Non-current liabilities			
Non-current financial liabilities	3 399	3 643	3 666
Pension provisions	244	173	213
Other provisions	459	461	459
Deferred tax liabilities	5 684	5 781	5 910
Total non-current liabilities	9 788	10 059	10 247
Current liabilities			
Current financial liabilities	2 776	2 791	2 349
Trade payables	2 473	2 337	2 453
Current tax liability	94	112	112
Provisions	185	196	270
Other operating liabilities	1 139	1 136	1 088
Total current liabilities	6 667	6 571	6 273
Total liabilities	16 455	16 630	16 520
Total equity and liabilities	33 438	33 366	33 432
Debt/equity ratio, times	0.36	0.38	0.34
Equity/assets ratio, %	50.8	50.2	50.6
Operating capital	28 652	28 679	28 385
Capital employed	23 157	23 081	22 684
Net financial debt	6 174	6 345	5 772
Pledged collateral	6	6	17
Contingent liabilities	122	125	135

The Group

Change in equity, SEKm	January-September	
	2011	2010
Opening equity	16 913	16 504
Profit for the period	1 015	528
Other comprehensive income	-357	327
Total comprehensive income	658	855
Dividends paid	-588	-588
Closing equity	16 983	16 771

Share structure

Share	Votes	No. of shares	No. of votes	Quota value	SEKm
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 bought back		-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, SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Operating activities						
Profit before tax	455	428	329	1 384	810	1 388
Adjustments for non-cash items *	285	237	285	803	816	811
Paid income taxes	-161	-169	10	-396	-693	-704
Cash flow from operating activities before changes in working capital	579	496	624	1 791	933	1 495
Cash flow from changes in working capital						
Change in inventories	-259	45	-256	-307	-254	-428
Change in trade receivables and other operating receivables	309	-211	-23	53	-44	-139
Change in trade payables and other operating liabilities	96	140	192	99	225	595
Cash flow from operating activities	726	470	537	1 636	860	1 523
Investing activities						
Acquisition of non-current assets	-449	-427	-373	-1 301	-1 061	-1 692
Disposal of non-current assets	2	5	8	18	80	107
Change in non-current financial receivables	0	13	-	41	-13	-12
Cash flow from investing activities	-446	-409	-366	-1 243	-994	-1 597
Financing activities						
Change in financial liabilities and current financial receivables	-279	450	-169	105	657	681
Dividends paid to the shareholders of the parent company	-	-588	-	-588	-588	-588
Cash flow from financing activities	-279	-138	-169	-483	69	93
Cash flow for the period	0	-77	3	-90	-66	19
Opening cash and cash equivalents	104	178	110	193	182	182
Exchange difference in cash and cash equivalents	0	3	-4	2	-8	-8
Closing cash and cash equivalents	105	104	109	105	109	193

Change in net financial debt, SEKm	Quarter			January-September	Full year	
	3-11	2-11	3-10	2011	2010	2010
Opening net financial debt	-6 345	-5 752	-6 284	-5 772	-5 683	-5 683
Cash flow from operating activities	726	470	537	1 636	860	1 523
Cash flow from investing activities (excl financial receivables)	-446	-422	-366	-1 284	-981	-1 585
Dividends paid	-	-588	-	-588	-588	-588
Actuarial revaluation of pension liability	-77	14	81	-82	96	94
Foreign exchange effects and changes in fair value	-32	-67	76	-84	341	468
Closing net financial debt	-6 174	-6 345	-5 955	-6 174	-5 955	-5 772

* 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.

The Parent Company

Income statement, SEKm	Quarter			January-September		Full year
	3-11	2-11	3-10	2011	2010	2010
Operating income	3 869	4 332	3 355	12 261	10 227	13 990
Operating costs	-3 606	-4 010	-3 132	-11 335	-9 801	-13 537
Operating profit	264	322	223	926	426	453
Net financial items	- 97	- 124	106	- 242	281	272
Profit after net financial items	167	197	329	684	707	725
Appropriations	-45	-46	-21	-114	-67	-155
Profit before tax	122	151	308	570	640	570
Tax	-35	-47	-82	-155	-174	-198
Profit for the period	87	105	226	415	466	372

Statement of comprehensive income, SEKm	Quarter			January-September		Full year
	3-11	2-11	3-10	2011	2010	2010
Profit for the period	87	105	226	415	466	372
Other comprehensive income						
Cash flow hedging	-207	-255	167	-661	723	923
Tax attributable to other comprehensive income	55	67	-44	174	-190	-243
Total other comprehensive income	-153	-188	123	-487	533	680
Total comprehensive income	-66	-83	349	-73	999	1 053

Balance sheet, SEKm	2011	2011	2010
	30 September	30 June	31 December
Non-current assets	20 302	19 954	19 666
Current assets	5 818	5 955	5 896
Total assets	26 120	25 909	25 562
Restricted equity	5 915	5 915	5 915
Non-restricted equity	5 263	5 038	5 235
Untaxed reserves	2 632	2 587	2 518
Provisions	1 411	1 490	1 663
Liabilities	10 899	10 879	10 231
Total equity and liabilities	26 120	25 909	25 562
Pledged collateral	6	6	6
Contingent liabilities	114	132	177

Sales to Group companies accounted for SEK 80 million (99) of operating income for January–September.

The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 30 million (18).

Net financial items include the result from hedging equity in foreign subsidiaries totalling SEK -45 million (432).

The Group

Quarterly figures, SEKm	2011				2010				January-September		Full year
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2011	2010	2010	
Income statement											
Net sales	4 518	4 787	4 721	4 747	4 205	4 227	4 400	14 026	12 833	17 581	
Operating costs	-3 686	-3 983	-3 875	-4 078	-3 516	-3 650	-3 782	-11 544	-10 948	-15 026	
Depreciation and amortisation according to plan	-319	-316	-306	-312	-314	-318	-308	-941	-939	-1 251	
Interest in earnings of associates	6	5	18	4	7	8	9	28	24	28	
Items affecting comparability*	-	-	-	264	-	-	-	-	-	264	
Operating profit	519	492	558	625	383	268	320	1 570	971	1 596	
Net financial items	-64	-64	-58	-48	-54	-55	-52	-186	-161	-208	
Profit before tax	455	428	501	578	329	214	268	1 384	810	1 388	
Tax	-112	-125	-131	-402	-113	-81	-89	-368	-282	-684	
Profit for the period	343	302	370	176	216	133	178	1 015	528	704	
Diluted earnings per share, SEK	4.1	3.6	4.4	2.1	2.6	1.6	2.1	12.1	6.3	8.4	
Net sales											
Holmen Paper	2 102	2 215	2 170	2 223	1 982	1 955	1 982	6 487	5 919	8 142	
Iggesund Paperboard	1 296	1 340	1 257	1 291	1 225	1 139	1 195	3 892	3 558	4 849	
Holmen Timber	254	221	151	147	162	150	128	626	439	586	
Holmen Skog	1 469	1 594	1 697	1 456	1 281	1 441	1 408	4 759	4 130	5 585	
Holmen Energi	437	436	494	556	419	408	549	1 367	1 376	1 932	
Elimination of intra-group net sales	-1 037	-1 019	-1 046	-924	-863	-864	-862	-3 102	-2 589	-3 513	
Group	4 518	4 787	4 721	4 747	4 205	4 227	4 400	14 026	12 833	17 581	
Operating profit/loss											
Holmen Paper**	105	70	57	-141	-129	-170	-178	231	-477	-618	
Iggesund Paperboard	199	238	244	231	243	180	163	681	587	817	
Holmen Timber	-30	-38	-27	-6	8	11	7	-95	27	20	
Holmen Skog**	164	178	221	203	212	214	189	563	615	818	
Holmen Energi	108	75	107	127	96	90	182	289	368	495	
Group-wide costs	-27	-36	-37	-52	-45	-46	-45	-100	-136	-188	
Elimination of internal operating profit/loss	1	5	-7	0	-3	-11	2	0	-12	-12	
Items affecting comparability*	-	-	-	264	-	-	-	-	-	264	
Group	519	492	558	625	383	268	320	1 570	971	1 596	
Operating margin, % **											
Holmen Paper	5.0	3.1	2.6	-6.3	-6.5	-8.7	-9.0	3.6	-8.1	-7.6	
Iggesund Paperboard	15.4	17.8	19.4	17.9	19.8	15.8	13.7	17.5	16.5	16.9	
Holmen Timber	-12.0	-17.2	-17.9	-4.3	5.2	7.6	5.3	-15.5	6.1	3.5	
Group	11.5	10.3	11.8	7.6	9.1	6.4	7.3	11.2	7.6	7.6	
Return on operating capital, % **											
Holmen Paper	6.1	4.0	3.3	-7.6	6.4	-8.3	-8.4	4.4	-7.7	-7.7	
Iggesund Paperboard	17.0	20.9	22.3	21.8	23.1	17.4	16.1	20.0	18.9	19.7	
Holmen Timber	-8.1	-10.6	-8.4	-2.3	3.9	7.1	5.9	-9.0	5.4	2.7	
Holmen Skog	5.2	5.7	7.0	6.7	7.4	7.5	6.6	6.0	7.2	7.1	
Holmen Energi	13.3	9.2	13.2	15.7	12.0	11.2	22.6	11.9	15.3	15.4	
Group	7.2	6.9	7.9	5.1	5.5	3.9	4.8	7.4	4.7	4.8	
Key indicators											
Return on capital employed, % **	9.0	8.7	9.9	6.4	6.7	4.8	5.8	9.2	5.8	5.9	
Return on equity, %	8.1	7.3	8.8	4.2	5.2	3.2	4.3	8.1	4.3	4.2	
Deliveries											
New sprint and magazine paper, '000 tonnes	402	426	419	467	425	420	421	1 246	1 266	1 732	
Paperboard, '000 tonnes	121	127	118	121	118	110	115	365	343	464	
Sawn timber, '000 m ³	141	123	78	74	77	71	62	343	211	285	
Harvesting company forests, '000 m ³	734	792	664	762	711	882	643	2 190	2 236	2 999	
Production of company hydro power, GWh	342	234	276	299	268	255	323	852	846	1 145	

* Items affecting comparability in the fourth quarter 2010 refers to write-down of fixed assets, provisions for restructuring and revaluation of forest.

** Excl. items affecting comparability.

The Group

Full year review, SEKm	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Income statement										
Net sales	17 581	18 071	19 334	19 159	18 592	16 319	15 653	15 816	16 081	16 655
Operating costs	-15 025	-15 175	-16 630	-15 548	-14 954	-13 205	-12 570	-12 306	-12 205	-12 460
Depreciation and amortisation according to plan	-1 251	-1 320	-1 343	-1 337	-1 346	-1 167	-1 156	-1 166	-1 153	-1 126
Interest in earnings of associates	28	45	50	12	11	20	25	-6	-10	-3
Items affecting comparability *	264	-	-361	557	-	-	-	-	-	-620
Operating profit	1 596	1 620	1 051	2 843	2 303	1 967	1 952	2 338	2 713	2 446
Net financial items	-208	-255	-311	-261	-247	-233	-206	-212	-149	-152
Profit before tax	1 388	1 366	740	2 582	2 056	1 734	1 746	2 126	2 564	2 294
Tax	-684	-360	-98	-1 077	-597	-478	-471	-675	-605	-108
Profit for the year	704	1 006	642	1 505	1 459	1 256	1 275	1 451	1 959	2 186
Diluted earnings per share, SEK	8.4	12.0	7.6	17.8	17.2	14.8	15.1	17.5	23.6	26.4
Operating profit by business area										
Holmen Paper**	-618	340	280	623	754	631	487	747	1 664	2 410
Iggesund Paperboard	817	419	320	599	752	626	809	1 001	818	455
Holmen Timber	20	21	13	146	80	13	5	18	-6	-79
Holmen Skog**	818	605	632	702	643	537	586	516	450	455
Holmen Energi	495	414	327	272	197	301	178	193	-26	49
Group-wide costs and eliminations	-200	-178	-159	-56	-123	-141	-113	-137	-187	-224
Items affecting comparability *	264	-	-361	557	-	-	-	-	-	-620
Transferred operations	-	-	-	-	-	-	-	-	-	-
Group	1 596	1 620	1 051	2 843	2 303	1 967	1 952	2 338	2 713	2 446
Balance sheet										
Non-current assets	26 028	25 694	26 506	26 153	25 354	25 793	23 381	20 940	21 357	19 150
Current assets	6 950	6 075	7 268	6 549	6 138	5 709	5 149	4 743	4 922	5 366
Financial receivables	454	407	828	541	649	712	459	675	688	432
Total assets	33 432	32 176	34 602	33 243	32 141	32 214	28 989	26 358	26 967	24 948
Equity	16 913	16 504	15 641	16 932	16 636	16 007	15 635	15 366	15 185	14 072
Deferred tax liability	5 910	5 045	4 819	5 482	5 030	5 143	5 177	4 557	4 370	4 014
Financial liabilities and interest-bearing provisions	6 227	6 091	8 332	6 518	6 634	7 351	5 335	4 044	4 496	3 593
Operating liabilities	4 382	4 536	5 809	4 310	3 841	3 713	2 842	2 391	2 916	3 269
Total equity and liabilities	33 432	32 176	34 602	33 243	32 141	32 214	28 989	26 358	26 967	24 948
Cash flow										
Operating activities	1 523	2 873	1 660	2 476	2 358	2 471	2 331	2 443	3 498	3 786
Investing activities	-1 597	-818	-1 124	-1 315	-947	-3 029	-1 195	-726	-1 810	-1 669
Cash flow after investments	-74	2 054	536	1 161	1 411	-558	1 136	1 717	1 688	2 117
Key indicators										
Return on capital employed, % **	6	7	6	10	10	9	10	12	16	18
Return on equity, %	4	6	4	9	9	8	8	10	14	16
Debt/equity ratio	0.34	0.34	0.48	0.35	0.36	0.41	0.31	0.22	0.25	0.22
Dividend										
Ordinary dividend, SEK	7	7	9	12	12	11	10	10	11	10
Extra dividend, SEK	-	-	-	-	-	-	-	30	-	-

* Items affecting comparability in 2010 refers to write-down of fixed assets (SEK -555 million), provisions for restructuring (SEK -231 million) and revaluation of forest (SEK +1050 million).

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.

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 consumer packaging and graphics printing at one Swedish and one English mill. **Holmen Timber** produces sawn timber at two Swedish sawmills. Annual production capacity is 1 750 000 tonnes of printing paper, 530 000 tonnes of paperboard and 860 000 cubic metres of sawn timber.

Holmen Skog manages the Group's forests 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 14.30 CET on Wednesday, October 26. **Venue: Grand Hôtel, Blasieholmshamnen 8, 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 14.25 CET.

Financial reports in 2011

2 February 2012 Year-end report 2011

Financial reports in reports in 2012

8 May 2012 Interim report January-March

14 August 2012 Interim report January-June

26 October 2012 Interim report January-september

In its capacity as issuer, Holmen AB is releasing the information in this interim report for January-September 2011 in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 13.00 CET on Wednesday October 26 2011.