

Board's statement regarding the proposal for a mandate from the 2012 Annual General Meeting to buy back and transfer shares in the company

The Board proposes that during the period until the next AGM it be mandated by the AGM to buy back shares of Series "B" in the company to the extent that the company's holding of its own shares does not at any time exceed 10 per cent of all the shares in the company, such acquisitions being made via NASDAQ OMX Stockholm within the from time to time applicable range of prices (spread) and in accordance with applicable rules.

The Board has established that the Group shall have a strong financial position with a debt/equity ratio - defined as net financial debt in relation to equity - in the interval between 0.3 and 0.8. Based on the closing balance sheet at 31 December 2011, when the debt/equity ratio was 0.32, the buy-back of shares for an amount of up to approx. SEK 5 300 million would not involve the debt/equity ratio moving outside of its target interval. Also taking into consideration the dividend proposal, the buy-back of shares for up to around SEK 4 600 million would still remain within the target interval as of 31 December 2011.

Holmen AB's equity at 31 December 2011 amounted to SEK 11 153 million, of which non-restricted equity was SEK 5 238 million. Assets and liabilities measured at fair value according to Chapter 4 Section 14a of the Swedish Annual Accounts Act had an impact of SEK 31 million on equity. The Group's equity at 31 December 2011 amounted to SEK 19 773 million. Complying with the IFRS, no distinction is made at Group level between restricted and non-restricted equity.

The Board considers that the proposed buy-back of the company's shares, taking into account established targets for its financial position, is defensible in view of the demands made on the company and the Group by the nature, extent and risks associated with the business in terms of the amount of equity required, and taking into account the need for consolidation, liquidity and financial position otherwise. The financial position will still be strong after any such buy-back of its shares and it is considered to be fully adequate to enable the company to fulfil its obligations in both the short and the long term, as well as to finance such investments as may be necessary.

Stockholm March 2012

The Board of Directors