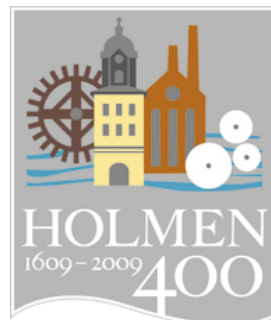
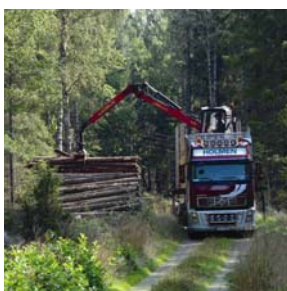




**Welcome to
the 2009 Annual
General Meeting**

HOLMEN



Mr Chairman, dear shareholders, ladies and gentlemen.

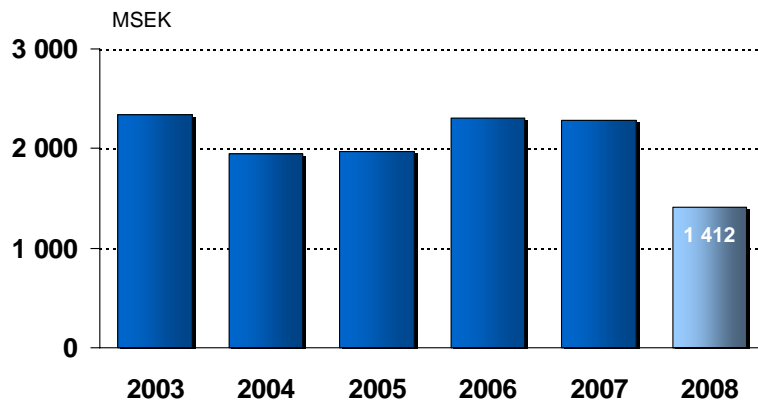
As all of you have hopefully noticed, our Annual General Meeting in part bears the stamp of the anniversary we are celebrating this year. 400 years is an age that is worthy of respect. If we look around us in Sweden, there are not very many companies that can look back to a comparable series of successful years, and in unsettled times this takes on particular significance.

However, I do not intend to recapitulate all these 400 years, but will concentrate on the latest of them. At the Annual General Meeting in 2008 I remarked in my introduction that the past year had not really turned out as expected. I could start by addressing you in the same way. There were not many who had foreseen the strong global financial crisis which we ran into last autumn. Notwithstanding the fact that the situation in our industry has been difficult for a fairly long time, our preparedness for a tough year was relatively high. At Holmen we set out three clear objectives for 2008:

- The continued implementation of an improvement programme in our printing paper business unit, Holmen Paper, with a view to creating the conditions for a return to acceptable profitability.
- The relaunch of our most added-value consumer board products at Iggesund, with the aim of improving our customers' opportunities of marketing their products.
- Moving forward with the sawmill project so as to be prepared when the upturn in the market comes.

I shall come back to these objectives a little later on in my speech.

Holmen Operating result



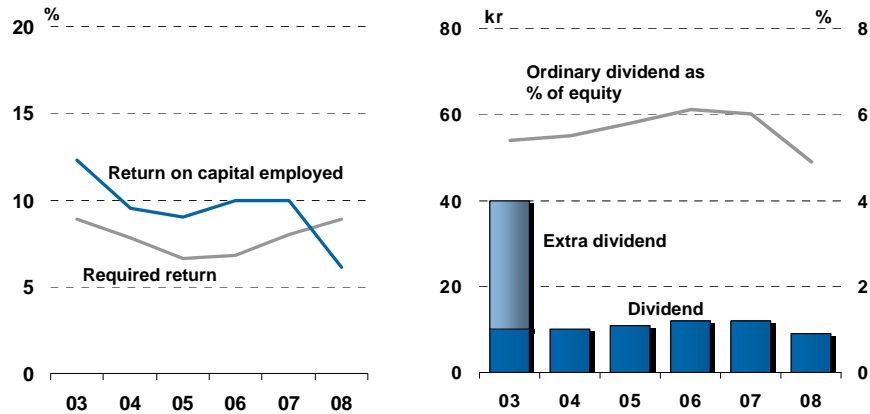
Excl. items affecting comparability of MSEK -361 in 2008 and +557 MSEK in 2007

3 /24/3/2009

Net profit for the year ended up at MSEK 642 after tax, which was down considerably on the previous year. Net sales rose slightly from 19.2 to 19.3 billion kronor. The operating profit before items affecting comparability fell from 2.3 to 1.4 billion kronor. The cause of this sharp decline is to be found mainly in lower prices for newsprint and sawn timber, together with continued higher costs for wood and other input goods.

During the year we also incurred additional costs of MSEK 400 for shutting down capacity for printing paper and switching over to new paper and paperboard products.

Profitability and dividend



4 /24/3/2009

The results for 2008 mean that for the first time in many years Holmen has failed to reach its profitability target of earning a sustainable return higher than the market cost of capital. The return on capital employed in 2008 is 6.1 per cent, which is not sufficient to cover our capital costs.

According to Holmen's dividend target, the ordinary dividend should correspond to between 5 and 7 per cent of equity. The Board is now proposing a dividend of SEK 9, which is SEK 3 less than in the previous two years. The dividend is equivalent to just under 5 per cent of equity. The Board's proposal should be seen in the light of the year's inadequate profitability and the fact that we are going through a recession.

I now would like to review the position of each business unit.

Newsprint Europe

Market growth, %



	2006	2007	2008
Demand	+3	0	-3
Imports	-34	+61	-16

Source: Cepiprint

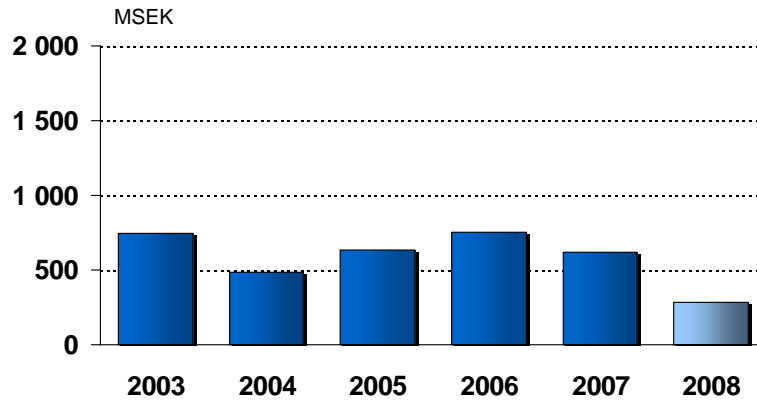
5 /24/3/2009

As a result of the recession, the demand for newsprint in Europe fell by 3 per cent in 2008. Unfortunately, this is probably not the only reason behind the decrease, which is also due to changed patterns of consumption in the form of less newspaper readership.



Speaking for myself, I enjoy being able to read a newspaper because of its texture and the overview of news that it offers, and I believe this holds true for most of us. Unfortunately, there are other media which compete for our time and attention and for the advertising market. The same development, although in accelerated form, applies to telephone directory paper, where various methods of searching on the internet are taking over. At the beginning of 2008 the prices of newsprint and MF Magazine were also reduced, which adversely affected our profit.

Holmen Paper Operating result



Excl. items affecting comparability of MSEK -1 603 in 2007

7 /24/3/2009

Holmen Paper's operating profit, excluding items affecting comparability (relating to closures and adjustments), was MSEK 280 compared with the previous year's MSEK 626. Deliveries rose by one per cent.

As I remarked in my introduction, Holmen Paper entered 2008 with the clear objective of implementing a savings and efficiency programme aimed at improving profitability. In the business unit this demanding task has been undertaken in real earnest. Capacity corresponding to about 10 per cent of standard newsprint had disappeared as a result of the closure of the smallest paper machine and the recovered paper line at the Hallsta Paper Mill. At the same time adjustments to other products have reduced the volume of newsprint by another 5 per cent.

Holmen Paper Improved product range



8 /24/3/2009

The closure of a paper machine at the same time enabled the production of MF Magazine products to be moved to a larger and more modern machine. This has been the case at Hallsta, and a similar adjustment has taken place at our mill in Madrid, where more and more Holmen Bravo is being produced, a coated magazine paper which is based entirely on recovered paper pulp and whose applications include advertising leaflets and newspaper supplements. In this way we are converting newsprint machines that are uncompetitive into machines that have the ability to compete in other product segments.

In August yet another important decision was taken, namely the closure of our oldest mill at Vargön. Vargön's products were not strategically crucial for Holmen Paper and following several attempts to make the mill profitable, closure was the only alternative. The closure of the Vargön Mill has been effected quickly and efficiently. The paper machine was shut down in the middle of December and the production of 145,000 tonnes annually of coated paper ceased. In the light of developments in the market since August, when the decision was taken, I can only note that it was one-hundred per cent correct.

Holmen Paper's production continues to be based on newsprint, although in parallel with this we are engaged in development work aimed at increasing sales for catalogue paper, book paper and MF Magazine paper. The catalogue paper I am referring to here is intended for other purposes than telephone directories.

Holmen Paper

New pulp line at Braviken



9 /24/3/2009

The ambition to effect further cost reductions remains firm. In September a completely new pulp line entered service at the Braviken Paper Mill, which is helping to cut oil consumption and reduce the use of energy by 25 per cent. As a part of the savings programme approved last year, we shall also be continuing to make staff cuts this year.

At the end of the year price increases were implemented for newsprint and MF Special in Europe.

Virgin fibre board Europe Market growth, %



	2006	2007	2008
Western Europe	+1	+1	-3
Eastern Europe	+18	+20	0
Total	+5	+5	-2

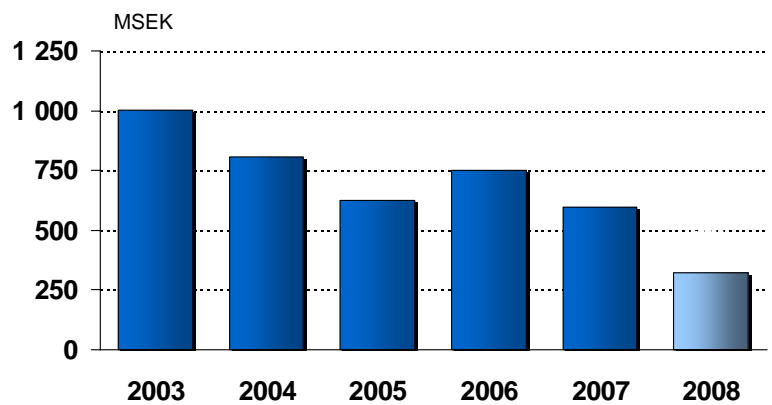
10 /24/3/2009

Source: CEPI

I shall now move on to describe developments at our business unit Iggesund Paperboard.

The demand for virgin fibre consumer board fell gradually in 2008 and there was a sharp slump in the order books at the end of the year. Deliveries from Iggesund Paperboard fell by 4 per cent at the same time as the market in Europe declined by 2 per cent. On a pleasing note, we were able to put in place price increases in Europe for both solid bleached board and folding boxboard in the packaging board and graphic board segments. The full impact of these increases is expected to be felt in 2009.

Iggesund Paperboard Operating result



11 /24/3/2009

Iggesund Paperboard's profit fell to MESK 320, compared with MSEK 599 in 2007. Part of the explanation for this is lower production and fewer deliveries, although sharply increased costs for wood and other input goods also played a significant part.

Iggesund Paperboard

Strong brands



12 /24/3/2009

Our paperboard products have a fundamentally strong position in the market. Both our brands – the solid bleached board Invercote and the folding boxboard Incada – come out top in market surveys in Europe. The strategy of continuing to develop these brands was unveiled during the year, with the relaunch of our premium brand Invercote. Our best paperboard grades have now taken another development step, thanks to the rebuild of one of the board machines at Iggesunds Bruk that was completed in 2007.



The business unit meets customers who have very high product requirements, among which the environmental aspect is currently growing in importance. In order to meet the demands of its customers and as part of our environmental thinking, Invercote can now be supplied coated with a biodegradable plastic material which is compostable. This type of board can be used, among other things, for food packaging and drinking cups.

Iggesund Paperboard

Increased energy efficiency



14 /24/3/2009

At Iggesund Paperboard, too, an efficiency programme is under way. During the year a number of projects have focused on energy efficiency. Investments were made at Iggesunds Bruk during the year with the aim of further reducing dependence on oil. In 2009 the mill's emissions of carbon dioxide from fossil sources are expected to decrease by 75 per cent, which is equivalent to 20,000 cars with an annual mileage of 15,000 kilometres. 85 per cent of Iggesunds Bruk is currently biofuel-driven.

Is there anyone here in the hall who competed in the Vasaloppet ski race this year? Or did you, like me, decide to take part while watching the TV on the sofa? In either case you may recall the signs that had been placed along the course.



The signs are part of the climate campaign that Holmen is waging together with the industry through the Swedish Forest Industries Federation. It goes without saying that the person who put up the signs made his way on skis – it would hardly have been acceptable to do otherwise! The message is aimed at the broad mass of the public and in 2008 focused on the positive effect of the forest on climate change. In 2009 the campaign will continue, though with a change of emphasis to products: sawn timber and the role these products can play in a sustainable society.

Holmen Timber

A future in structural timber



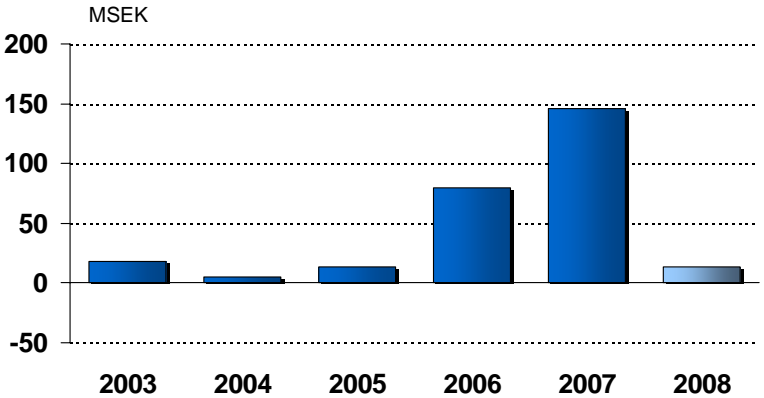
16 /24/3/2009

I personally have strong confidence in wood as a product of the future. Wood never goes out of date. It is a cost-effective building material and a natural, renewable product which is sustainable in the long term and also has a positive effect on our environment and our climate. What could be better?

We believe in wood as a building material of the future, and it is also in this light that the project involving our new sawmill at Braviken is being pursued. The objective is clear. The licensing and planning processes are under way in parallel with our internal work, which focuses on the start-up of production at the beginning of 2011. The Braviken Sawmill has been designed to operate with very high productivity. Its location next to our existing paper mill also brings synergies and we are creating another integrated bio combineate, similar to the type we already have at Iggesunds Bruk.

The integrated bio combineate model is an interesting concept for the future. It provides stability and strength which is otherwise difficult to achieve, especially if the integrated plant consists of several individually strong units.

Holmen Timber Operating result



17 /24/3/2009

Unfortunately, 2008 was not a good year for the wood industry or for Holmen. Less building activity and substantial price reductions brought a significant deterioration in profit for Holmen Timber, despite the fact that we succeeded in increasing deliveries. The operating profit was MSEK 13, compared with the fantastic MSEK 146 the year before. The problem is that the prices for sawn timber have fallen much more than raw material prices, and negative margins are forcing a lot of sawmills to make radical cutbacks, with a risk of major financial problems.

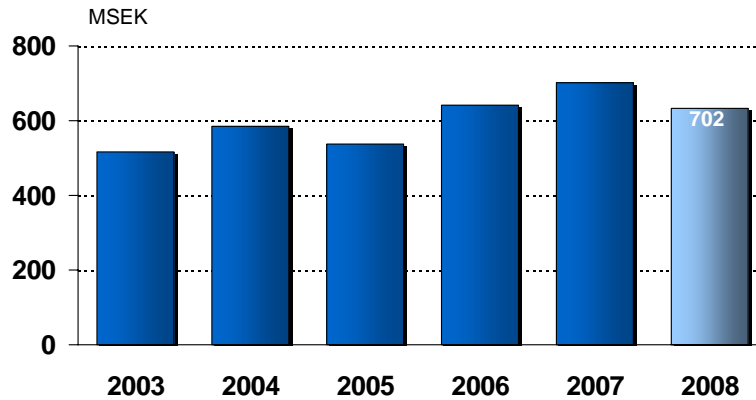
In the longer run, however, I am convinced that wood has a future. And if we believe this, it makes sense to invest in the middle of a recession.



Together with electricity, wood costs are our industry's largest expense item, and costs here continued to increase in 2008. Although the final increase in the Russian export duties never materialised, it had a considerable impact on the market and helped to move prices upwards to disturbingly high levels. During the beginning of 2009 we have received confirmation of the fact that the trend has turned and prices are falling. This is being done following very extensive cutbacks, especially in Finland, in order to adjust the demand to the new supply situation without Russian wood.

During turbulent times, with major instability in the wood market, it means a lot for a company like Holmen to have its own raw material resources in the form of timber for its industries. Our business strategy, which encompasses business areas that focus on products as well as raw materials, takes on additional clarity.

Holmen Skog Operating result



19 /24/3/2009

Holmen Skog's volume of harvesting in 2008 was at the same level as in the previous year, namely about 2.6 million cubic metres. The degree of self-sufficiency in wood is around 55 per cent. The operating profit of MSEK 632 is slightly down on 2007, when it reached MSEK 702. Increased harvesting costs adversely affected results.

The demand for biofuel is increasing and will continue to do so in the light of the targets that the Government has set for the increase in renewable energy. Holmen Skog is making preparations to meet this upturn in demand.

The new sawmill at Braviken will fully utilized process about 1.5 million cubic metres of spruce saw timber. One of Holmen Skog's main tasks is, of course, to adapt its organisation to enable the effective procurement of wood.



Energy supplies turned out to be one of the hot topics of the autumn. From Holmen's point of view, we welcome the Government's energy agreement that emerged in the beginning of this year. It opens up the possibility of additional nuclear power, while including investments in renewable sources of energy. It is a direction which Holmen also seeks to take.

Holmen Energi

Wind power and peat harvesting



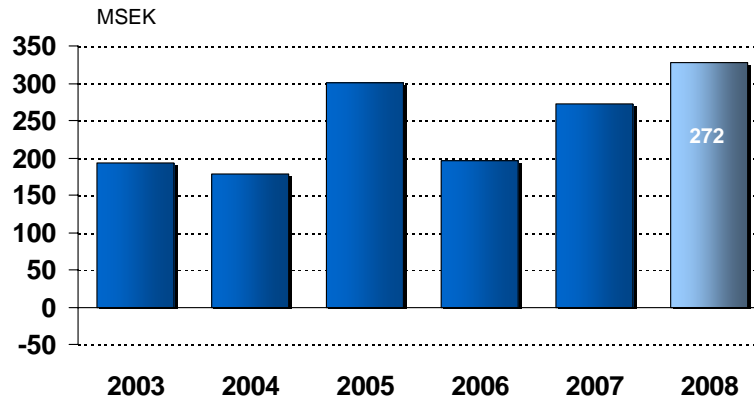
21 /24/3/2009

Our investment in wind power is envisaged to take place both at our own business unit, Holmen Energi, and in association with other companies in the VindIn consortium. This work lies a long way ahead. We currently have a number of masts set up on our own land to measure wind speeds, and our ambition is to generate 1 TWh of wind power under our own management. On top of this comes our collaboration with VindIn, where the first wind farm will be officially opened after the summer.

The harvesting of peat is another area in which Holmen Energy was actively engaged during the year. On Holmen land outside Örnköldsvik we expect to be able to make a start on extracting peat later this year.

Holmen has also joined together with four other companies in order to build and operate a nuclear power plant in association with a partner from the energy sector. The time frame here is completely different. In order to complete the building of a new reactor, many years of preparatory work are required. Not until several years after 2020 could one become operational.

Holmen Energi Operating result



22 /24/3/2009

At the present time Holmen Energi produces hydro power, with output during the year one per cent up on 2007. The operating profit improved from MSEK 272 in the previous year to MSEK 327 in 2008. Higher electricity prices lie behind the improvement. Holmen's Swedish industries are supplied with electricity from the business area. One-third of our electricity consumption is currently supplied by our own hydro power and back-pressure production at the larger mills. The rest is covered by long-term contracts which runs to the end of 2015.

Employee survey



23 /24/3/2009

The creation of an atmosphere marked by commitment is, in our view, important if all the employees are to perform as well as possible. We have just finished carrying out an employee survey covering the whole of Holmen, the aim of which was to measure the degree to which our employees feel involved. The results of the survey, which is carried out every two years, pointed to further improvements in both motivation and leadership. This is where one of Holmen's strengths lies.

You can read more about this and our views regarding environmental responsibility, economic development and social responsibility in our sustainability report, Holmen and its World 2008. For those of you who do not have this report, I recommend that you help yourself to a copy when you leave.

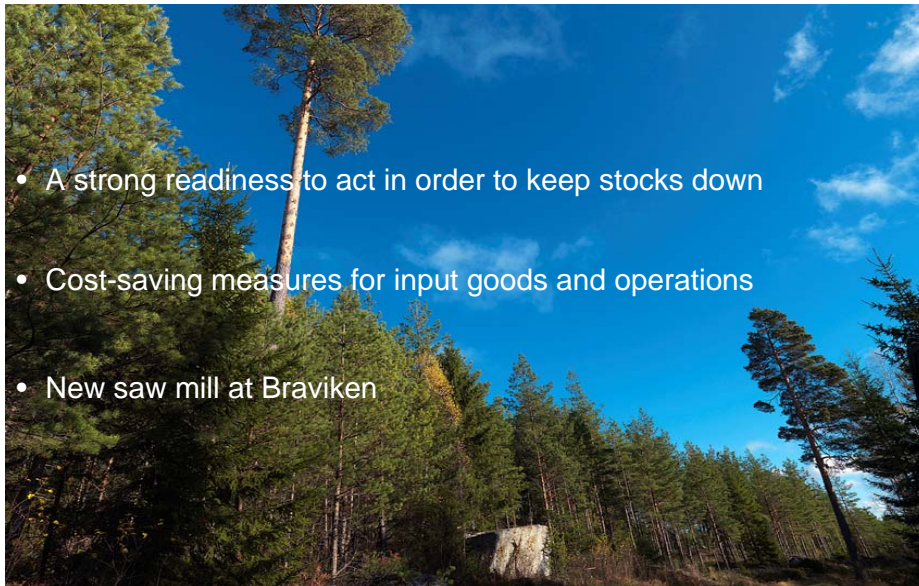
Forecast 2009



24 /24/3/2009

The start of 2009 has brought a substantial decline in deliveries in both the paperboard and the newsprint market. For the moment it is difficult to see what the actual change in consumption amounts to for the full year, since inventory cutbacks are almost certainly still affecting the situation. In general, it may be said that genuine uncertainty continues to exist about how consumption will develop for our main products in 2009.

Activities in 2009



- A strong readiness to act in order to keep stocks down
- Cost-saving measures for input goods and operations
- New saw mill at Braviken

25 /24/3/2009

We are prepared to act in order to regulate production in line with the flow of orders so that stocks are kept down. Exerting continued pressure of getting our costs down has been prioritised as a means of improving margins. Decreases in the price of wood have been announced on several occasions in all the different places where we do business; however, the impact of these decreases will only come after a time. Work on the sawmill project at Braviken is moving forward.

Holmens advantages

- Strong position on the printing paper market
- European top quality paperboard brands
- Efficient producer of sawn timber, strengthened by an integrated bio combine
- Major operator on the Swedish wood market
- Own assets in the form of energy and wood, the climate-neutral and renewable raw material
- Financial stability
- Committed employees

26 /24/3/2009

We heard earlier of Holmen's history, where flexibility and openness for changes have been necessary ingredients for success. In the midst of a world that is filled with uncertainty, we must continue in the same spirit to manage and build further on what currently amounts to Holmen's strengths:

- a strong position in the printing paper segments with competitive production units
- brands for consumer board that are top of the European league table
- an efficient producer of sawn timber, strengthened by an integrated bio combine
- a major operator in the Swedish wood market
- our own assets in the form of energy and forests
- financial stability
- committed employees (as underlined by the latest employee survey, in which we further improved our position)

With that, ladies and gentlemen, I would like to thank you and hand over to the chairman.

HOLMEN

27 /24/3/2009