

**HOLMEN**

# **PRESS RELEASE**

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## **Holmen buys back hydroelectric power assets for SEK 1.7 billion**

Holmen is to buy back hydroelectric power assets on the Umeälven river with a capacity of 541 GWh for a total of just over SEK 1.7 billion. The transaction will be completed at the turn of the year 2002/03 following Holmen's decision to exercise its option to buy back the assets, which were sold in 1983 under a "partner-financing" arrangement.

The Holmen Kraft business area already has responsibility for the power produced by the power stations concerned in return for paying agreed compensation to the partner-financiers.

The buy back will improve Holmen's pre-tax result by approximately MSEK 45 per year with effect from 2003 as its operating result will improve by some MSEK 135. At the same time interest on the cost of financing the purchase is estimated to increase the Group's net financial items by some MSEK 90 per year.

The Group's debt/equity ratio will increase by some 0.1 as a result of the transaction.

Once the purchase has been completed, Holmen will own some 920 GWh of hydroelectric power capacity, over and above which Holmen disposes of some 170 GWh of partner-financed power.

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If you have any questions, please contact

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