

HOLMEN

PRESS RELEASE

August 9, 2000

Divestment of Modo Paper now completed

Now that the EU Commission has given its consent to Holmen's sale to Metsä-Serla of its 50 per cent interest in fine paper company Modo Paper, this transaction has been completed today in Helsinki.

As the price of the shares is MSEK 6,500 and their value in Holmen's books is MSEK 4,500, Holmen makes a capital gain of some MSEK 2,000. This corresponds to SEK 22 per share.

The divestment of the holding represents a step in the strategy laid down by Holmen's Board in January 1999.

Holmen's President and CEO, Per Ericson, comments:

"Holmen's strategy involves focusing on newsprint and magazine paper, and on paperboard. Holmen plans further growth in these areas. The sale of the shares in Modo Paper, will allow Holmen to pursue this strategy more aggressively. This is reflected in the acquisition in July this year of Spanish newsprint manufacturer Papelera Peninsular.