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Karlshamns invests SEK 60 million to improve competitiveness

During its meeting today, Karlshamns' Board of Directors decided to invest approximately SEK 60 million in streamlining measures with limited payback periods – measures which will thus generate full profit effects by 2006.

These cost reductions are part of a far-reaching efficiency improvement programme, the overall goal of which is to increase the Group's profits by SEK 100 million from the year 2006 onwards. The programme was introduced in connection with the release of the company's interim report in October this year.

Energy improvements

An investment worth SEK 33 million is made to convert current fuel boilers to the use of wooden pellets. This investment will improve fuel flexibility, while also considerably reducing energy costs in comparison with the fuel varieties used today.

Process improvements

Karlshamns' subsidiary Tefac, part of business area Technical Products, will invest SEK 25 million in a new pre-treatment process for raw materials. As a result, production capacity for high value-added speciality products will increase at the same time as the consumption of additives and energy will decrease.

- These proactive investments, all of which are part of our SEK 100 million programme, will make us substantially better equipped to handle the exceptional upsurge in competitiveness throughout our industry, says Karlshamns' President and C.E.O. Jerker Hartwall.

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In 2003, Karlshamns' total sales amounted to SEK 3,317 million. The Group has a staff of some 750 employees, of whom around 600 in Karlshamn. Karlshamns is Scandinavia's largest producer of vegetable oils and fats; the majority of its customers found in the food industry. Other important business areas are technical products, feed raw materials and customised raw materials for the chemical and technical industries. The Group's operations have a strong international focus, with subsidiaries in the Netherlands, the UK, the Czech Republic, Poland and Malaysia.
