

Option Program

The Karlshamns AB Board of Directors has decided to propose to the AGM, on 2 May 2001, that the company raise a subordinated loan maximised to the nominal value of SEK 200 000 by issuing debt instruments with a maximum of 400 000 option rights to new shares in the company.

Those invited to subscribe are, thus with deviation from the preferential rights of registered shareholders, the President of Karlshamns AB along with the fully owned subsidiary Tefac AB. After subscription the subsidiary shall have the right to detach the warrants for subsequent transfer to employees in managerial positions, employed by the Group at a time later than the subordinated loan issue.

The subordinated loan carries an interest of 3 per cent per annum and matures on 30 May 2002.

The debt instruments will be issued in multiples of SEK 500 each, to which are attached 1 000 (one thousand) option rights the price of which shall correspond to the option right value calculated according to the Black & Scholes model on the basis of the official share price and the company's dividend policy, with the addition of the nominal value of the debt instrument.

The rate at which new shares may be subscribed for shall correspond the amount totalling 125 per cent of the average price paid for the company's shares according to the Stockholm Stock Exchange register on each trading day in the period 2 May 2001 to 14 May 2001.

Notification of share subscriptions based on option rights - with one (1) option right giving the right to subscribe for one (1) share - may be given any time in the period from 3 September 2001 to 1 July 2004.

The aim of this option program is to promote employee commitment within the Karlshamns Group and stimulate to a higher overall performance.

The dilution effect at full subscription, with the already outstanding option rights taken into account, would be approximately 2.7 per cent of the total number of shares and votes.

Karlshamn, 26 February 2001

Karlshamns AB (publ)
Board of Directors

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