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Press release by Karlshamns AB 12 July 2005

Statement by the Board of Directors of Karlshamns AB

The Board of Directors of Karlshamns AB has evaluated the offer made by BNS Industrier AB today; directed to the shareholders of and holders of convertible debentures issued by Karlshamns AB.

BNS Industrier AB is the bidding company controlled by Melker Schörling AB (major shareholder of Karlshamns AB) and United International Enterprises AB (major shareholder of Aarhus United A/S). On 26 May 2005, BNS Industrier AB announced their intention to launch an offer to the shareholders of Karlshamns AB and Aarhus United A/S to acquire the shares in both companies, subject to the fulfilment of certain conditions. Such acquisition would be financed either in the form of shares in BNS Industrier AB, or in cash.

The Board of Directors of Karlshamns AB supports the opinion of BNS Industrier AB, namely that a merger between Karlshamns and Aarhus United would be an industrially and strategically sound transaction. The Board has thus granted BNS Industrier AB to undertake certain due diligence investigation, for a limited period of time.

KPMG Corporate Finance, having evaluated the offer to Karlshamns' shareholders at the request of the Board of Directors, states in its report that; (i) the value relationship between Karlshamns and Aarhus United implied by the offer is considered fair; (ii) based on management's assessment of the potential for synergies, the share offer is considered more attractive than the cash offer; (iii) the cash offer with respect to Karlshamns is at the date this opinion is issued lower than the share price but similar to the share price prior to the pre-announcement. Based on the forecasted development for Karlshamns "stand-alone", we consider the cash offer to be in a reasonable value range, and (iv) the offer for convertible debt instruments in Karlshamns is considered fair in relation to the offer for the shares.

From an overall point of view, the Board of Directors is of the opinion that the offer is fair and has therefore unanimously decided to recommend Karlshamns' shareholders to accept the offer.

The board members Melker Schörling and Mikael Ekdahl have due to conflict of interest or similar reasons not taken part in the statement.

Financial objective and future outlook

In connection with the above mentioned due diligence, the board of Karlshamns has given BNS Industrier access to certain, not previously disclosed, information regarding financial objectives and future outlook. In connection herewith this information is disclosed, through this press release, to the shareholders and the stock market.

The targets that partially are based upon the already announced 100 million programme have been made for strategic use in order to prepare the company for the expected development in the coming years. Karlshamns' strong technical expertise is the cornerstone of the company's new strategy. At the same time, the combination of the Karlshamns' vegetable raw material base and growing consumer interest in health aspects gives leverage to the ambition to grow and develop. The target is for sales volume to increase from 685,000 tonnes in 2005 to 735,000 tonnes in 2006, mainly due to penetrating new markets. As a consequence the target is for operating profit to increase from SEK 225 million in 2005 to SEK 277 million in 2006. As in previous years the development within the different business areas varies.

(Amounts in SEK million, unless otherwise stated)	2003	2004	Target 2005	Target 2006
Net sales	3,317	3,629	3,900	4,200
Gross contribution	944	973	1,055	1,090
Operating profit	197	148	225	277
Volumes, 000 tonnes	550	631	685	735

The Board of Directors has also decided to move the release of the next interim report; from 1 September, 2005 to Wednesday 24 August, 2005.

Karlshamn, 12 July 2005

Karlshamns AB (publ)
 The Board of Directors

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