



Karlshamns acquires technical oils from Raisio

Karlshamns subsidiary Binol AB has reached an agreement with Raisio Chemicals Ltd to the effect that Binol AB acquires Raisio Chemicals' operations related to biodegradable lubricants. The business in question has an annual turnover of approximately SEK 25 million, and the acquisition will give a positive contribution to Binol's earnings in the first year already. The take-over comes into effect on 1 January 2004.

- The acquisition is entirely in line with our strategy, and further consolidates Binol's position as number one on the market for vegetable technical oils says Magnus Jörsmo, President of Binol.

The acquisition fortifies our strategy, which is to grow throughout the Nordic market. It will also give synergy effects within product development, logistics as well as production. As a result of this development we will now focus even stronger on Finland, one of the steps soon to be taken being the establishment of a Finnish subsidiary.

The acquired product range, till now marketed under the brand BioSafe, largely corresponds to Binol's own product range for the Forestry/Construction industries. The acquisition also involves a certain amount of new technology, however.

The major part of the customers of the acquired operations is found in Finland and the Baltic states. The acquisition is part of Karlshamns strategic focus on vegetable, eco-friendly lubricants for the metalworking, forestry and construction industries.

In recent years Binol signed a global distribution agreement with Shell, while also establishing a European distribution network for vegetable band saw oils. Karlshamns acquired Aarhus United's technical oils operations in April 2003.

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Binol is a company in the Karlshamns Group, with responsibility for the development, manufacturing and marketing of the Group's eco-friendly technical oils.

In 2003, Karlshamns turnover amounted to SEK 3,200 million. The company employs some 750 persons, of whom around 600 in Karlshamn, Sweden. Karlshamns is Scandinavia's largest producer of vegetable oils and fats, primarily for the food industry. Other important business segments are technical products, feed raw materials and speciality raw materials for the chemico-technical industry. The Group's operations have an outspoken international focus, with subsidiaries in the Netherlands, the United Kingdom, the Czech Republic, Poland and Malaysia.
