

Press release

Karlshamns acquires UK company in the speciality fats segment.

In line with Karlshamns' strategy to strengthen its focus on high-value added speciality products, the British company Kelanco Ltd was acquired. Kelanco specialises in flaked fats for the food industry, and has an annual turnover of SEK 15 million.

Karlshamns' business concept is to develop and process vegetable oils and fats to enhance their functionality, and to tailor products for the individual needs of the company's customers. One way of customising the product range is to offer advanced delivery forms, and thus to improve overall product handling efficiency. Good examples of such customised products are pumpable, flaked and powdered fats. Flaked¹⁾ fats are not only more efficient to transport and to handle, but they also contribute vital functionalities to a number of applications. The prime market for flaked fats is the growing segment of convenience foods.

The acquisition provides Karlshamns with considerably improved expansion potentials and will generate positive profit effects in 2004 already.

The acquisition of Kelanco's operations is a perfect strategic fit for Karlshamns, giving access as it does to products developed directly for the UK convenience food market. England is today the number one convenience food market in all of Europe. Kelanco will also serve as a production platform for the continued development of other European countries in the market segment for flaked fats.

¹⁾ Flaked fats are fats that are crystallised on a cooling roller into their solid form. The flake's form, size and thickness have considerable impact on the functionality of the fat.

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