

1998-08-12

**Note: The above text is an English translation of the Swedish press release published earlier today.**

**KM focuses on core operations**

**SALE OF SUBSIDIARY KM LAB GIVES SHAREHOLDERS CAPITAL GAIN OF SEK 90 MILLION**

The Board of Directors of Kjessler & Mannerstråle AB (KM) is recommending shareholders to sell the subsidiary KM Lab AB to Dutch company Alcontrol for a purchase price of SEK 97.8 million, which corresponds to SEK 24 per share. The sale enables KM to streamline its operations as a consulting company.

Alcontrol has agreed, subject to normal due diligence, to acquire the shares in KM Lab at a price of SEK 24 per share. It is proposed that the sale be effected through a spin-off of all the shares in KM Lab to KM's shareholders, who would subsequently sell the shares to Alcontrol. Prior to the spin-off, the number of shares in KM Lab will be adjusted to match the number of shares in KM. This procedure follows the same principles as AssiDomän's spin-off of Sveaskog.

To make possible the distribution of the shares in KM Lab, a directed share issue amounting to SEK 10 million to one or a small number of investors – applying an auction-type procedure – is proposed. This would leave KM's shareholders' equity unchanged after the transaction.

The offer has been accepted by shareholders, who combined represent a majority in terms of both voting rights and capital. A Special General Meeting of KM will be held in October. The sale is expected to be implemented effective July 1, 1999.

**Share in value growth**

“The sale gives shareholders a dividend based on the growth in the value of KM, as well as benefiting KM Lab, which will become part of an international group with laboratory analysis as its core operation,” notes KM President Christer Samuelsson. There are plans for KM to cooperate with Alcontrol in future based on a partnership agreement.

“KM can now focus on its core operations and is planning further development of various aspects of its consulting operations,” adds Christer Samuelsson. “We have aggressive plans, whereby KM will continue to play an active role in development within the sector.”

### **KM Lab**

KM Lab has 170 employees and annual sales of approximately SEK 100 million. Profit for the year is around SEK 10 million. The company, which is among the market leaders in Sweden in the field of environmental analysis, has a total of 13 laboratories, two of which are located in Norway.

Following the sale of KM Lab, the KM Group has slightly more than 800 employees and annual sales of approximately SEK 500 M. KM is listed on the A List of the Stockholm Stock Exchange.

### **Alcontrol**

Alcontrol is an international laboratory group with high-tech laboratories in the Netherlands and the UK. The company is owned by Kelda Group PLC, a UK-based environmental service company. Kelda has shareholders' equity of approximately GBP 2 billion and is listed on the London Stock Exchange. Alcontrol carries out more than 1.2 million analyses per year and has annual sales of approximately GBP 30 million. The acquisition of KM Lab is a further step in the company's strategy of building up a European network of laboratories.

“We welcome KM Lab's employees and customers to Alcontrol,” says Alcontrol's Managing Director Gerard Baalhuis. “I am convinced that everyone will benefit from the new structure, and I look forward to meeting as many of KM Lab's employees and customers as possible during the next few months.”

*Further information can be obtained from:*

*Christer Samuelsson, President, tel. +46 70-517 3084*

*Leif Jacobsson, Senior Vice President Corporate Communications, tel. +46 70-650 7461*

*Gerard Baalhuis, Group Managing Director, Alcontrol Laboratories, tel. +31 653-528 024*