

Press release

AarhusKarlshamn AB's (publ) ("AAK") public offer to the shareholders of Karlshamns AB (publ) ("Karlshamns") has, after the expiration of the extended acceptance period on 6 October 2005, been accepted by shareholders representing in total approximately 98,2 % of the shares and votes in Karlshamns, calculated after full dilution of the remaining convertibles. Pursuant to Chapter 14, Section 31 of the Swedish Companies Act, AAK has the right to redeem the outstanding shares from the other shareholders of Karlshamns. AAK has resolved to exercise this right.

It has not been possible to reach an agreement in respect of the redemption of all outstanding shares with the other shareholders and convertible debenture holders. As a consequence thereof, AAK has made a request to the Board of Directors of Karlshamns that the dispute, by virtue of Chapter 14, Section 32 of the Swedish Companies Act, be referred to arbitration.

As a consequence of the above, the Board of Directors of Karlshamns has applied for the delisting of the Karlshamns share from the O-list of the Stockholm Stock Exchange as from Monday 14 November 2005. This implies that the last trading day in the Karlshamns share at the Stockholm Stock Exchange will be on Friday 11 November 2005. In light of the contemplated delisting, Karlshamns will, as agreed with the Stockholm Stock Exchange, not provide any quarterly report for the third quarter of 2005.

At the request of AAK, the Board of Directors has resolved to summon an Extraordinary Shareholders' Meeting to be held on 24 November 2005 regarding the election of directors and the alteration of the articles of association. The summon will be customarily published in the daily press and include the agenda of the Shareholders' Meeting.

Karlshamn in October 2005
KARLSHAMNS AB (PUBL)
The Board of Directors