

2005-05-26

**Aarhus United A/S**  
**CVR no. 45 95 49 19****Stock exchange announcement no. 11/2005****Announcement from United International Enterprises (UIE) about the contemplated merger between Aarhus United A/S and Karlshamns AB**

Today, we have received an announcement from UIE (see UIE's stock exchange announcement below), stating that in cooperation with the main shareholder of Karlshamns, Melker Schörling, they plan to submit a joint offer to the shareholders of Aarhus United A/S and Karlshamns AB to take over their shares – against payment in a combination of cash and shares in a new holding company.

The agreement between the two main shareholders depends, among other things, on the preceding sale to UIE of Aarhus United's entire shareholding in United Plantations Berhad, i.e. 23.4%. This transaction will be presented at an extraordinary general meeting in Aarhus United A/S.

The Supervisory Board is pleased to note that a specific proposal as to a new ownership structure has now been presented.

The Supervisory Board's immediate assessment is that the business perspectives in such a merger between the two companies are very interesting and will presumably include considerable synergies.

The Supervisory Board's final recommendation to the shareholders of Aarhus United A/S can only be finalised, when all circumstances have been solved, and a specific offer has been presented, on which the Supervisory Board can take a position.

UIE will be hosting a press conference and analysts' meeting at the SAS Royal Hotel in Copenhagen on Thursday May 26 2005, at 10.30.

Aarhus United A/S  
Kjeld Ranum  
Chairman of the Supervisory Board

Contact persons:

Erik Højsholt, Group CEO  
Telephone: +45 8730 6102  
Mobile phone: +45 2010 6580

Esben Vibe, Group CFO  
Telephone: +45 8730 6215  
Mobile phone: +45 4010 4103

Today we have received the following announcement from United International Enterprises Ltd.:

**“This announcement does not constitute an offer for the shares in Aarhus United A/S (“Aarhus United”) or Karlshamns AB (publ) (“Karlshamns”) and it shall not give rise to any obligations for Melker Schörling AB (“MS AB”) or United International Enterprises Limited (“UIE”) to make an offer for the shares in Aarhus United or Karlshamns.**

*This announcement does not constitute a formal announcement of a public offer in accordance with section 11.3 of the Swedish NBK take over rules or an offer document according to Danish public take over rules. UIE, MS AB and Newco II reserves the right to change the terms and conditions expressed in this press announcement or to completely withdraw the intentions to launch voluntary offers for Aarhus United and Karlshamns irrespective of the conditions mentioned in this document having been met or not.*

To avoid potential leaks and rumours in the Danish and Swedish financial markets, MS AB and UIE hereby announce their intentions to launch voluntary offers for Aarhus United and Karlshamns, subject to confirmatory due diligence investigations, via a jointly owned Swedish company (Newco II).

MS AB’s and UIE’s intentions are based on a strong belief that a combination of Aarhus United’s and Karlshamns’ unique strengths would create a strong and leading market player within speciality fats for the confectionery and food industries.

*Press meetings will be held today in Copenhagen at 10.30AM at SAS Radisson Royal, and in Stockholm at 2.30PM at SAS Radisson Frösundavik.*

### **Intended transaction**

To avoid potential leaks and rumours in the Danish and Swedish financial markets MS AB and UIE hereby announce their intentions to offer to purchase all of the shares in Aarhus United and Karlshamns through two new companies – Newco I and Newco II. Newco II will make the offers, while Newco I will be a joint holding company for MS AB’s and UIE’s shares in Newco II.

It is intended that MS AB will hold 58.5% of the total share capital and votes in Newco I and that UIE will hold the remaining 41.5%.

The rationale behind this intended structure is to ensure that Aarhus United and Karlshamns via Newco II will have a strong industrially focused owner and to clearly indicate to the financial markets how the ownership situation is in Newco II.

Subject to a satisfactory outcome of the confirmatory due diligence it is the intention of MS AB and UIE to launch voluntary offers for Aarhus United and Karlshamns, via Newco II, with the following contents:

Simultaneous inter-dependent voluntary offers for Aarhus United and Karlshamns. The inter dependency means that the completion of the Aarhus United voluntary offer will be dependent upon the completion of the voluntary offer for Karlshamns and vice versa. The intended offers may also include other customary fulfilment conditions.

#### Consideration etc:

The consideration to the shareholders in both companies is intended to be a combination of cash and new shares in Newco II.

The consideration in the voluntary offer to the Aarhus United shareholders is expected to be DKK 500 in cash or 5.27 new shares in Newco II in exchange for each of the existing shares in Aarhus United.

The consideration in the voluntary offer to the Karlshamns shareholders is expected to be SEK 117 in cash or 1.00 new share in Newco II in exchange for each of the existing shares in Karlshamns.

The Aarhus United and Karlshamns shareholders are expected to be offered the possibility of (i) receiving up to 100% of the consideration in new Newco II shares or alternatively (ii) a guaranteed cash consideration for up to 50% of the shareholder's total shareholding in the respective company and the remainder of the consideration in new Newco II shares. Each shareholder may, however, be offered the possibility to receive a larger portion than the guaranteed 50% of the consideration in cash subject to other shareholders accepting a larger proportion of the consideration in new Newco II shares.

MS AB intends to tender its 30.9% of the outstanding shares in Karlshamns for new shares in Newco II while UIE intends to tender its 47.5% of the outstanding shares in Aarhus United for 50% in cash and 50% in new shares in Newco II.

The shares in Newco II are intended to be traded on the Swedish, unofficial market place Nya Marknaden in connection with the voluntary offers for Aarhus United and Karlshamns being declared unconditional.

The aim is for an official listing of the shares in Newco II on the O-list of the Stockholm Exchange before the end of 2005.

In connection with such transfer from Nya Marknaden to the O-list of the Stockholm Exchange, Newco II intends to investigate the prospects of a listing on the Copenhagen Stock Exchange.

MS AB and UIE have obtained a commitment from a bank to finance the transaction. Given such bank commitment MS AB and UIE have achieved their target to finance the cash portion corresponding to 50% of the total offer value for Aarhus United and Karlshamns.

#### **Indicative time schedule:**

MS AB's and UIE's intentions are to launch voluntary offers to the shareholders in Aarhus United and Karlshamns early July this year.

## **The industrial logic**

The intended transaction is a true merger of equals.

Aarhus United and Karlshamns are both leading manufacturers of high value-added speciality vegetable oils and fats in a highly competitive market.

The strategic rationale behind combining the companies has long been evident as it offers prospects to capitalise on a stronger platform, thereby improving the market positioning vis-à-vis competitors.

Some of the key benefits are:

- Capabilities of optimising production in Northern Europe
- The combined entity will become one of the world's leading suppliers of cocoa butter alternatives ("CBA") to the international chocolate manufacturers with an increased opportunity to achieve the industry's lowest costs
- Potential for an expansion in Northern America through Aarhus United's platform in New Jersey in the area of speciality fats
- Strong food service business in the UK where both Aarhus United and Karlshamns hold attractive market positions. The combined entity will be attractively positioned to expand the food service business to Northern Europe.

The combined entity is believed to be able to achieve substantial synergies both in terms of improved utilization of the existing plants and equipment, but also in terms of opportunities for improved capital expenditures. A quantification of the total synergies will require a detailed analysis by the management teams of Aarhus United and Karlshamns.

The combination of Aarhus United and Karlshamns will create a stronger producer of high value-added speciality vegetable oils and fats. In 2004, the combined entity's pro forma net sales were SEK 9.7 billion, or DKK 7.9 billion. The combined entity's pro forma EBITDA was SEK 694 million, or DKK 566 million in 2004.

## **Employees and management in Newco II**

The stronger market position and the expected positive underlying market growth are foreseen to have a clear positive influence for the employees of the combined entity. The employees are regarded as one of the key strengths of the two companies and their continued commitment is vital for the future success of the combined entity.

The Aarhus United CEO, Erik Højsholt, is planned to be appointed as working chairman of Newco II while the Karlshamns CEO, Jerker Hartwall is planned to take up the position of CEO for Newco II.

## **Contact persons**

Questions pertaining to this announcement can be directed to:

On behalf of UIE:

Carl Bek-Nielsen, Deputy Chairman, +45 33 93 33 30

Martin Bek-Nielsen, Director, +45 33 93 33 30

John Goodwin, Managing Director, +45 33 93 33 30

On behalf of MS AB:

Melker Schörling, +46 8 614 39 30

### **Advisors**

Handelsbanken Capital Markets is acting as financial adviser to UIE.

Enskilda Securities is acting as financial adviser to MS AB.”

The announcement can be found at Aarhus United’s website: [www.aarhusunited.com](http://www.aarhusunited.com).

Requests for a copy can be directed to [investor@aarhusunited.com](mailto:investor@aarhusunited.com).

*This is a translation into English – in case of variations, the original version in Danish will apply.*