

*This is a non-official translation of the Swedish original wording. In case of discrepancies between the English translation and the Swedish original, the Swedish text shall prevail.*

## **PROPOSED ALLOCATION OF EARNINGS AND THE BOARD OF DIRECTORS' STATEMENT IN RELATION TO THE PROPOSAL**

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### **Proposal of allocation of earnings:**

The Board of Directors and the Managing Director propose that

retained earnings	SEK 3,791,341,685
and net income of the year	SEK 197,743,791
<b>Total</b>	<b>SEK 3,989,175,476</b>

are allocated as follows;

dividend of SEK 4.00 per share to the shareholders	SEK 165,535,212
to be carried forward	SEK 3,823,640,264
<b>Total</b>	<b>SEK 3,989,175,476</b>

The Group's and the Parent Company's earnings statements and balance sheets will be subject to approval at the Annual General Meeting on 19 May 2009.

### **Statement on the proposed dividend**

The Board of Directors has proposed that the Annual General Meeting 2009 resolves on a profit distribution to the effect that a dividend of SEK 4.00 shall be distributed to the shareholders. The profit distribution totals MSEK 166 for the Company and MSEK 164 for the Group. The aim is that dividend in the long term should equal 30 – 50 per cent of the Group's earnings after taxes, however always taking into account AarhusKarlshamn's long term financing requirements. The Parent Company holds no financial instruments valued in accordance with Chapter 4, Section 14a of the Swedish Annual Accounts Act (1995:1554). The Board of Directors hereby makes the following statement regarding the proposed dividend, in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

Retained earnings from previous years total MSEK 3.791 and the earnings of the financial year 2008 amount to MSEK 198 (MSEK -4 for the Group). Provided that the Annual General Meeting resolves in accordance with the Board of Director's proposal on profit distribution, MSEK 3.824 will be carried forward to new accounts. The Company's restricted reserves will be fully covered after distribution of the dividend.

According to the Board's assessment, the Company's and the Group's equity will, following the proposed dividend, be sufficient in relation to the nature, scope and risks of the operations. The Board has hereby taken into consideration the Company's and the Group's historical development, budgeted development and situation in the business cycle.

The Board has considered the Company's and the Group's position as well as the Company's and the Group's ability to comply with their obligations in a short as well as in a long term perspective. The proposed dividend equals in total 3.8 per cent of the Company's equity and 7.0 per cent of the Group's equity attributable to the Parent Company's shareholders.

Following the distribution of profits, the Company's and the Group's equity/assets ratio will amount to 65.5 per cent and 20.0 per cent respectively. Exclusive of the 2008 IAS 39-effect, the Group's equity/assets ratio amounts to 23,4 per cent after effecting the dividend.

The Company's and the Group's equity/assets ratio is thereby good in relation to the industry. The Board considers that the Company and the Group are in a position to meet future business risks and withstand possible losses. Distribution of the dividend will not negatively affect the ability of the Company or the Group to make further investments as planned by the Board of Directors

The proposed profit distribution will temporarily have a certain negative effect on the Company's and the Groups ability to meet current payment liabilities. However, the Company and the Group have good access to short as well as long term credit facilities, which can be utilized with short notice. Hence, the Board's assessment is that the Company and the Group are well prepared to manage changes in liquidity as well as unforeseen events.

In addition to the above, the Board has taken into account other known circumstances that might affect the financial position of the Company and the Group. No circumstance have come up which would have the proposed profit distribution deemed not legitimate.

Proposed record day for the dividend is 25 May 2009 and the dividend is expected to be available to the shareholders on 28 May 2009.

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Malmö in May 2009  
***The Board of Directors***  
**AARHUSKARLSHAMN AB (publ)**