

Sandvik's subsidiary Kanthal acquires world-leading U.S. company

Sandvik's subsidiary Kanthal AB has reached an agreement covering the acquisition of the American company MRL Industries, Inc. Based in California, the company is the world's largest manufacturer of furnace cassettes for the electronics industry. MRL has annual sales of about SEK 160 M, with 130 employees. The purchase is conditional upon approval of the requisite authorities.

Kanthal is a world-leading manufacturer of high-temperature material for use in the electronics industry, among other applications, and in recent years the company has focused on the sale of systems based on Kanthal's heating elements. The acquisition of MRL, which was previously a major customer to Kanthal in the U.S., is part of the development toward increased added value and forward integration, closer to the end-user.

"As a result of the acquisition, Kanthal enhances its competence in an industrial segment in the U.S. in which growth is expected to continue. Concurrently, the potential for increased sales in the electronics industry in Asia and Europe is also created," says Harry Furuberg, President of Kanthal.

Sandviken, 1 December 1998

Sandvik AB; (publ)

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The materials technology company Kanthal and Sandvik Steel comprise the Sandvik Specialty Steels business area. Kanthal is a leading global manufacturer of metallic and ceramic resistance materials in the form of wire, strip and electric heating elements for household appliances and industrial furnaces. Annual sales in 1997 amounted to SEK 2,060 million, with about 1,700 employees.

The Sandvik Group has a total of 38,000 employees in 300 companies in 130 countries. Sales exceed SEK 40 billion. The three core areas are: tools for chip-forming metalworking; machinery and tools for rock excavation, and stainless and high-alloy steel, specialty metals and resistance heating materials.