

Sandvik forms joint-venture company in Korea

Sandvik has formed a joint-venture company in Korea with Suh Jun Trading Co, distributors of rock-drilling equipment and tools. Sandvik owns 70% of the company and D.R. Han, President and former principal owner, holds 30%. The company, which will retain its well-established name Suh Jun Trading, is projected to post sales next year of about SEK 80 M, with about 20 employees.

Suh Jun Trading has been the distributor for Sandvik Mining and Construction's products since 1988 and holds a very strong position in the Korean market.

There is a substantial potential in the civil engineering field in Korea as a result of the great need to expand the infrastructure. Prior to the financial crisis, Korea was the third largest market for civil engineering activities in Asia, after Japan and China.

"Through the Suh Jun Trading joint venture, we will strengthen our leading position in the Korean rock-drilling market which we consider has major growth potential," says Anders Ilstam, President of Sandvik Mining and Construction. "At the same time, we can intensify co-operation with customers and further improve our service."

Sandviken, 21 December 1998

Sandvik AB; (publ)

For additional information, contact: Anders Ilstam, President Sandvik Mining and Construction. Tel: +46 (0)26 26 51 01 alt. +46 (0)70 630 76 02

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; stainless and high-alloy steel, specialty metals and resistance heating materials. The business area Sandvik Mining and Construction has annual sales exceeding SEK 9 billion, with about 7,000 employees.