

Sandvik acquires all shares in Poland's largest cemented-carbide company

Sandvik AB has acquired all shares outstanding in Poland's largest company for cemented-carbide metalcutting tools, Sandvik Baildonit SA in Katowice. Sandvik Baildonit was formed in 1994 through a joint venture with the cemented-carbide division of the Polish Huta Baildon steel group. Sandvik increased its ownership to 51% in 1997.

The acquisition is a part of the Sandvik growth strategy within expanding product and market areas. Development in the Polish industry is very strong and many world-leading companies, for example in the automotive and energy sectors, have successfully established production in Poland.

Sandvik Baildonit has 175 employees. Sales in 1997 amounted to SEK 85 M and profitability corresponds to the Sandvik Group's return requirement. The Polish company will be organized as a subsidiary of Sandvik Coromant, the international leader in cemented-carbide metalcutting tools and tooling systems. Sandvik Baildonit operates predominantly on the domestic market but export sales are increasing.

"Since forming the company, we have successively been able to add new technology, production equipment and computer systems. The operations in the Polish plant meet high international quality standards and will play a key role in Sandvik's global product sourcing network," says Lars Pettersson, President of Sandvik Coromant.

"With Sandvik Baildonit as a wholly owned company, new opportunities for structuring and product sourcing are available which will further strengthen the company's competitiveness and profitability," says Lars Pettersson.

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Sandvik AB; (publ)

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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. Sandvik Coromant's annual sales in 1997 amounted to SEK 8,200 M, with about 8,000 employees.