

Stockholm, 8 November 1999

Avesta Sheffield purchase of Lee Steel Strip approved

Avesta Sheffield AB's (publ) previously announced purchase of Lee Steel Strip from Carclo Engineering Group plc has now been approved by the UK Office of Fair Trading and the regulatory authorities in Germany and Ireland.

The purchase price comprises SEK 277m and completion and payment is expected to be on 12 November.

Lee Steel Strip has a world leading position in carbon spring steels and specialises in the production of precision strip, texture rolled strip and other related strip products. The acquisition is in line with the Group's strategic objective to improve its revenue stream, and is complementary to the existing precision strip product range.

Lee Steel Strip's operations are based at Meadowhall in Sheffield, and currently employs around 200 people. Avesta Sheffield will integrate Lee Steel Strip with the Precision Strip Business Area, which operates plants in Stocksbridge, UK, and Långshyttan in Sweden. The combined Business Area will have a sales volume of around 50,000 tonnes a year.

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