

PRESS RELEASE

Industrivärden acquires Sandvik shares

Industrivärden has agreed to acquire 22 million A-shares in Sandvik with effect from May 13, 1997 at SEK 185 per share, excluding the proposed dividend for 1996. The shares have been acquired from Skanska which is disposing of its entire holding in Sandvik through the present sale to Industrivärden and a simultaneous sale to institutional investors and participation in a share redemption scheme announced by Sandvik today.

Industrivärden's investment amounts to SEK 4.1 billion. The Sandvik holding will be the second largest investment in its portfolio of listed shares corresponding to 14 percent of the market value of total assets.

The acquisition will be financed by debt. The ratio of net debt to market value of the parent company's assets will increase from 3 percent to 17 percent. The resulting net debt ratio is considered to be prudent and in line with Industrivärden's established financial guidelines.

The net asset value of Industrivärden as of April 11, 1997, was equivalent to SEK 497 per share and CPN. (The net asset value calculation as well as the composition of the portfolio of listed stocks before and after the acquisition of Sandvik shares are set out in the attachment of listed stocks).

Industrivärden's strategy is to select stocks that will provide, over time, a return in excess of the performance of the Stockholm stock market index. Its portfolio principally consists of core holdings in companies whose returns are enhanced by active ownership. The Sandvik holding will be one of these core holdings.

The investments in the portfolio of listed stocks are kept under continuous review. Since the divestiture of part of PLM, a number of investment alternatives have been analysed. Sandvik shares are judged as an interesting investment owing to:

- Sandvik's business strategy is focused on growth and capital structure optimisation;

- Sandvik has high market shares in Europe and good opportunities for growth in the rest of the world;
- Sandvik has made exciting product launches with significant potential.

Industrivärden considers that the market value of Sandvik does not fully reflect the company's prospects. In addition, this investment represents an attractive opportunity to gain exposure to a high technology engineering company. Industrivärden intends to be an active owner contributing to the future development of Sandvik.

A gradual strengthening in the business cycle is expected in the coming years. This will benefit Sandvik and is considered not to be fully reflected in the Sandvik share price.

Industrivärden CEO Clas Reuterskiöld:

"Industrivärden's share price performance has been favourable recently. Since the beginning of 1996, the price of our shares has increased by 88 percent compared to 54 percent for the Stockholm stock market index. The intention of today's acquisition is to create conditions for continued growth in the value of our assets.

I am also glad that Industrivärden by our acquisition is able to contribute to a repayment by Skanska of capital to its shareholders. We believe the steps by Skanska, including the wider ownership of Sandvik and Sandvik's redemption of its own shares, will impact Skanska and Sandvik positively".

Stockholm, April 14, 1997

AB INDUSTRIVÄRDEN (publ)

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