

Press release for immediate publication

DaimlerChrysler and Höganäs sign agreement for development of new powder based manufacturing process

DaimlerChrysler and Höganäs recently entered into a three-year development contract. The objective is to bring a unique manufacturing process called K3 up to an industrial level, including the development of tailor-made metal powder feed stock. The development partners have contracted the Materials Science Institute of Aachen University of Technology (RWTH Aachen) to carry out R&D work.

The process has potential to produce protective coatings, as well as free-standing components, with unique properties at a very competitive production cost. The goal is to make this technology commercially available by the end of year 2002 to companies in the DaimlerChrysler group. Potential application areas include both automotive and aerospace technology.

Höganäs, 29 February 2000

Claes Lindqvist
President and Chief Executive Officer