



# Press Release

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## Sandvik to acquire US producer of diamond-based materials

Sandvik Tooling has reached an agreement with the American private equity company Littlejohn & Co., LLC to acquire Diamond Innovations Inc., US, formerly the Superabrasives Division of General Electric. The acquisition is expected to be completed during the first quarter of 2007.

Diamond Innovations is a world-leading company in the development and production of synthetic diamond and Cubic Boron Nitride products for such industrial applications as machining, oil and gas drilling, grinding, rock drilling and wire drawing. Diamond Innovations has annual sales in excess of SEK 1,000 M, and about 600 employees. The head office and largest production unit is located in Worthington, Ohio in the US. There are also units in Florida in the US, in Ireland and in Hong Kong. The company has a strong global presence, with sales equally distributed between the Americas, Europe and Asia.

The demand for improved performance of cutting tools is constantly increasing. The acquisition of Diamond Innovations will provide a base for improving the market offering from Sandvik of diamond and Cubic Boron Nitride cutting tools for metal working.

"Today, Sandvik holds a world-leading position in advanced applications based on materials technology. Diamond and Cubic Boron Nitride are the hardest materials known to mankind and therefore provide unique solutions for wear demanding applications. This acquisition complements our current offering in areas with high growth and our intention is to continue developing the existing business," says Anders Thelin, President of Sandvik Tooling. "Moreover, it provides the potential for further development of new solutions, especially for Sandvik Mining and Construction."

Tanya Fratto, who currently leads the business of Diamond Innovations, will continue to serve as CEO of the business and will work with the Sandvik team to achieve a smooth transition for the company's employees, customers and suppliers.

"The entire Diamond Innovations team is excited about this new ownership and fully supports Sandvik's strategy to continue to develop this business. We are all committed to our long tradition of product innovation and service to the benefit of our customers," says Tanya Fratto, CEO of Diamond Innovations.

Sandviken, 26 January 2007

Sandvik AB; (publ)

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Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, machinery and tools for rock excavation, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems and sorting systems. The Group has 39,000 employees and representation in 130 countries, with annual sales of approximately SEK 63,000 M.

Sandvik Tooling is a business area within the Sandvik Group and a global market-leading manufacturer of tools and tooling systems for metal cutting as well as of blanks and components. Annual sales is about SEK 20,800 M with 15,000 employees. Approximately 5% of the turnover is invested in R&D. Products are manufactured in cemented carbide, high-speed steel and other hard materials such as diamond and special ceramics. Well-established brands are Sandvik Coromant, Sandvik Hard Materials, Walter, Valenite, Safety, Titex, Dormer, Prototyp, Precision etc.

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