



Sandvik raises growth objectives

At an international capital markets day held in Sandviken, Sweden, on 17 August 2000, Sandvik's President and CEO Clas Åke Hedström presented new, higher growth objectives for the period 2000-2003.

Participants from the financial community and the media also learned how Sandvik adds value to its products and intensifies and broadens customer contacts within its business areas through applying advanced IT.

Goals for the period 2000-2003

- Organic sales growth shall average 6% annually, compared with the earlier goal of 4%. In addition, there is the volume growth from acquisitions. Prioritized markets are Asia, Eastern Europe and NAFTA.
- Return on net assets shall be 20% annually.
- Sustained high dividend payout: at least 50% of earnings per share.
- Changed capital structure: Net debt/equity ratio to be increased from 0.3 to the interval 0.6–0.8 not later than year-end 2003.
- A program for purchasing own shares will be proposed to the Annual General Meeting in 2001.

“The new goals are considerably more aggressive compared with earlier. We are well-positioned for increased expansion in our selected niches. We will focus increasingly more of operations on products and customer areas with greater growth potential than average and we will continue to increase our geographical presence in the prioritized markets,” says Clas Åke Hedström.

“We are now also establishing a goal for the capital structure with the aim of achieving a better balance between shareholders' equity and debt. Our high profitability and the strong cash flow enables both organic growth and acquisitions as well as an offensive payout policy in the form of dividends and buyback of own shares,” states Clas Åke Hedström.

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