

## **HÖGANÄS Sells Copper Powder Operations in the U.S.**

Höganäs AB announced today that one of its North American subsidiaries had completed the sale of its copper powder operations in a cash transaction totalling about MUSD 41 (about MSEK 310). The sale involves part of the assets of the former SCM Metal Products, Inc., a company acquired by Höganäs early last year. The purchaser was a subsidiary of the Gibraltar Group of Buffalo, New York.

The transaction involved the sale of product lines for copper and copper-based powders, including a manufacturing facility at Research Triangle Park, North Carolina.

The Höganäs subsidiary involved in the transaction, now renamed as North American Höganäs High Alloys LLC, continues to produce at its Johnstown, Pennsylvania plant a broad range of powdered metal products, including stainless steel metal powders, gas-atomized nickel powders, and electrolytic iron powders. North American Höganäs High Alloys also produces Glidcop®, a unique dispersion-strengthened copper alloy of high electrical conductivity.

Claes Lindqvist, Höganäs President and Chief Executive Officer, said, "The strong position of North American Höganäs High Alloys in the North American market for high alloy powders will continue to be of great strategic value to Höganäs. The sale of the copper powder operations allows us to focus on our core strengths, and will yield added efficiency by consolidating U.S. operations closer to our main U.S. production facilities in Western Pennsylvania."

*Höganäs AB and its worldwide subsidiaries are the largest producers of iron powder. Their products are used for a wide variety of applications, including the powdered metallurgy manufacture of components for automobiles, appliances, and equipment, and for use in welding, friction, and other industrial products.*

*Gibraltar is a leading processor, manufacturer and provider of value-added metal products and services, with 70 facilities in North America serving an international customer base.*

Höganäs, 7 June 2004

Claes Lindqvist  
President and CEO