

Decision at Special General Meeting in Sandvik AB

Sandvik AB's Special General Meeting in Stockholm on 18 December voted to approve the Sandvik Board of Directors' proposal regarding the transfer of Sandvik Invest AB from Sandvik AB to Sandvik Finance B.V. Concurrently, the Board decided on the transfer of CTT Cutting Tool Technology B.V. from Sandvik AB to Sandvik Finance B.V.

In total, these intra-Group transfers will mean that retained earnings in the Parent Company will increase by approximately SEK 9,450 M. The consolidated income statement and balance sheet will not be affected.

The decision increases the Parent Company's unrestricted shareholders' equity and the possibility to buyback shares.

New overall goals for the Group were presented in August. These goals mean that organic sales growth shall average 6% annually, compared with the earlier goal of 4%. In addition, there is the volume growth from acquisitions. Return on net assets shall be 20% annually.

In addition, the ambition was presented to increase the net debt/equity ratio from 0.3 to the interval 0.6-0.8, with the aim of improving the capital structure. This is to be accomplished through organic growth, acquisitions, continued high dividends - at least 50% of earnings per share - and through share buyback.

The goals are considerably more aggressive compared with earlier and should be viewed against the background of the Group being well-positioned in selected niches. The operations have favorable potential to accelerate the growth rate through increased focus on products and customer areas with greater growth potential than average.

The Group's high profitability and the strong cash flow enables organic growth and acquisitions as well as an aggressive payout policy in the form of dividends and share buyback.

Sandviken, 18 December 2000

Sandvik AB; (publ)
Board of Directors

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