



Press Release

Sandvik's acquisition of Walter AG approved by German authority

On 7 September 2001, Sandvik announced in a press release that the Group had reached an agreement with the principal owners of Walter AG, Germany, regarding the acquisition of shares resulting in a controlling interest in the company. However, the transaction was conditional on approval being granted by the competition authorities concerned.

The German competition authority, the Bundeskartellamt, has now approved Sandvik's acquisition of shares in Walter AG. Sandvik thus intends to complete the acquisition in accordance with the agreement.

Walter AG's operations include tools for metalworking, software systems for tool-management and numerically controlled grinding machines. The company projects sales in 2001 of approximately EUR 300 M and operating profit of EUR 40 M. The head office is located in Tübingen, Germany, and the number of employees is 2,000. Markets outside Germany account for approximately 75% of sales.

Walter AG is listed on the Frankfurt Stock Exchange and is included in the German SDAX index.

"The approval from the German authority is highly encouraging and is an important step in the continued process. The company is well managed and is an excellent complement to the Sandvik Group," says Clas Åke Hedström, President and CEO of Sandvik AB.

Sandviken, 21 December 2001.

Sandvik AB; (publ)

For further information, contact Peter Larson, Executive Vice President and CFO Sandvik AB, tel +46 26 26 10 60.

Sandvik is a high-technology engineering group with advanced products and world-leading positions in selected areas - tools for metalworking, machinery and tools for rock excavation, stainless steel, special alloys and resistance heating materials and process systems. The Group has 35,000 employees in 130 countries, with annual sales of approximately SEK 44 billion.

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