

SECO TOOLS AB

Annual General Meeting 2005

In his address to the Annual General Meeting of Seco Tools AB on May 2, Kai Wörn, President and CEO, commented on significant events during 2004 and business trends during the first quarter of 2005. To start with he commented that the sales and result during 2004 were the highest ever for the company in its history. Profit margins and return on capital reached high levels. Market conditions during 2004 were characterized by growth in all markets. Central- and Eastern Europe and Asia achieved the highest growth, but also Western Europe and North America showed high growth. Market shares have been retained or increased in all markets. The growth has continued in a similar way during the first quarter of 2005.

A presentation followed of products and activities within important customer segments and in the growing markets in China and India. The President presented newly established subsidiaries and sales offices as well as organizational changes. After that a presentation followed on new product introductions and the President stressed the importance of a continued high rate of product development to further increase the ratio of products sold younger than 5 years. During 2005 the most important activity is the introduction of the new face mill QuattroMill. He also made a short presentation of the new Code of Conduct for the Group, approved by the Board in February.

In closing, Kai Wörn presented the results of the first quarter 2005, stating that the quarterly sales were the highest ever and that he expected a continued high demand for the second quarter. For the future the Group will focus on positioning for growth as well as operational excellence.

Jonas Jordberg, Senior Vice President, Group Technology, described some new products used in milling, drilling and turning applications.

The Meeting approved the Board's proposal of an ordinary dividend for 2004 of SEK 15.00 per share and an extra dividend of 10.00 SEK per share, totaling SEK 727 M (SEK 14.00 per share in 2003, totaling SEK 406 M). May 6 was determined as the record date for entitlement to dividends, which means that the dividend is expected to be paid out on May 11, 2005.

The Meeting re-elected Gunnar Björklund, Magnus Brändeskär, Stefan Erneholm, Jan-Erik Forsgren, Carina Malmgren Heander and Anders Ilstam. Carl-Erik Ridderstråle, Chairman of Bröderna Edstrand and DIAB AB, Board member of SEKTRA AB and KMT AB, and Kai Wörn, President and CEO of Seco Tools, were elected as new members of the Board.

The Meeting re-elected Gunnar Björklund as Chairman of the Board.

Fees paid to Board members were established at SEK 1,200,000, of which SEK 300,000 will be paid to the Chairman and the remainder will be divided among the other members as decided by the Board. Fees to the company's auditors will continue to be paid under current account.

The Meeting approved the motion that the Nomination Committee through the close of the next Annual General Meeting shall consist of the Chairman of the Board and representatives of the four major shareholders, for which representatives must not be Board members. The composition of the Committee ahead of the election of the Board in 2006 is to be made public as soon as it is appointed, but no later than six months before the Annual General Meeting. No remuneration will be paid to Committee members. The Nomination Committee will propose Chairman for the Annual General Meeting, number of Board members, fees to Board members and auditors as well as election of Board members and Chairman of the Board.

At the statutory meeting of the Board of Directors after the Annual General Meeting, Gunnar Björklund, Carina Malmgren Heander and Carl-Erik Ridderstråle was appointed the Remuneration Committee. The Board in its entirety, excluding Kai Wörn, was appointed Audit Committee. Tomas Eliasson, Chief Financial Officer at Seco Tools and not a board member, was appointed Secretary of the Board.

Fagersta, Sweden, May 2, 2005

SECO TOOLS AB; (publ)

BOARD OF DIRECTORS

For additional information, contact Kai Wörn, President and CEO (Tel: +46 223-401 10) or Tomas Eliasson, CFO (Tel: +46 223-401 20).

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Previously published financial information is available under "Investor Relations" at the Seco Tools' website (www.secotools.com). Seco Tools AB's corporate registration number is 556071-1060 and the address is Seco Tools AB, SE-737 82 Fagersta, Sweden. The telephone number to the Group's head office is +46 223-400 00.