



Press Release

Sandvik Hard Materials purchases minority stake in Chinese metal powder company

Sandvik Hard Materials, within the Sandvik Tooling business area, has today reached an agreement to purchase a 10% equity stake in the Chinese metal powder producer Gesac. Gesac focuses mainly on producing powders in tungsten carbide and other related materials. Gesac has annual sales of approximately SEK 500 M. The company is located in Xiamen, on the coast of the Taiwan Strait. The transaction is subject to approval of the Chinese authorities.

Tungsten carbide is an important material in the production of wear-resistant components, metal-cutting and mining tools. China produces approximately 80% of the annual world output of tungsten.

Xiamen Tungsten Corporation and A.L.M.T Corp., a subsidiary of Sumitomo Electric Industries, are the other owners.

Sandviken, 19 September 2005

Sandvik AB; (publ)

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Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, machinery and tools for rock excavation, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems and sorting systems. The Group has 38,000 employees in 130 countries, with annual sales of approximately SEK 55,000 M.

Sandvik Tooling is a business area within the Sandvik Group and a global market-leading manufacturer of tools and tooling systems for metal cutting as well as of blanks and components. Annual sales are about SEK 19,000 M with 15,000 employees. Approximately 5% of the turnover is invested in R&D. Products are manufactured in cemented carbide, high-speed steel and other hard materials such as diamond and special ceramics. Well-established brands are Sandvik Coromant, Sandvik Hard Materials, Walter, Valenite, Safety, Titex, Dormer, Prototyp, Precision Twist Drill etc.

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