



P R E S S R E L E A S E

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KMT acquires two American companies

KMT has acquired Robotic Production Technology (RPT), North America's leading robotic trimming solutions provider, as well as H2O Jet Inc., a US-based manufacturer and distributor of pumps, spare parts and components for waterjet equipment including diamond nozzles. The combined annual revenue of the acquired companies amounts to approximately SEK 300 million.

- KMT becomes the global leader in robotic waterjet and trimming applications
- Access to RPT's know-how in robotized waterjet and other trimming applications such as router and knife
- Efficiency improvements by combining RPT's and KMT Cutting Systems businesses
- Full and direct access to RPT's installed customer base for aftermarket services
- Access to H2O Jet pump and nozzle technology
- Improved marketing and sales capabilities of H2O Jet products
- The combined annual revenue of the acquired companies amounts to approximately SEK 300 million
- The total purchase price for both companies is USD 36 million with an additional earn-out of maximum USD 2 million

As a result of the acquisitions, KMT becomes the global leader in robotic waterjet and trimming applications, including waterjet pumps for automotive applications and spare parts market. KMT also gains process knowledge in trimming applications outside waterjet technology, such as laser cutting and router- and knife trimming. Through the acquisition of RPT, KMT Cutting Systems will have a global reach and its sales will more than double. RPT's growing non-automotive business provides KMT with a greater ability to access this business in both Europe and North America.

"By combining KMT Cutting Systems's and KMT Waterjet Systems existing organizations, international experiences and distribution channels with RPT's strong brand, and H2O Jet's strong know-how in nozzle technology, we see considerable growth opportunities globally. Moreover, the acquisitions of RPT and H2O Jet will create cost synergies with KMT's Waterjet Product Area, as well as providing access to new exciting market segments with significant potential", said Lars Bergström, President and CEO of KMT.

Both companies will be consolidated in the KMT Group as of 1 December 2006 as part of the Waterjet Product Area, where RPT will be consolidated with KMT Cutting Systems, and H2O Jet with KMT Waterjet Systems. The total purchase price for both companies amounts to USD 36 million, with an additional earn-out of maximum USD 2 million based on the financial performance for year 2007. The acquisitions will be financed through a bank loan. A preliminary acquisition analysis will be reported in the year-end report, scheduled for release on 15 February, 2007.

www.kmtgroup.com

KMT is a leading producer of advanced production solutions in Waterjet Cutting, Precision Grinding, and Sheet Metal Working for engineered products. KMT solutions are found primarily in the automotive, electronics, and household appliance industries.

KMT creates value through precision – from design and delivery to the customer's end product.

KMT is traded on the Nordic Mid-cap list of the Stockholm Stock Exchange.



The two acquisitions will have a negligible effect on KMT's profits in 2006, but will have a positive impact on EPS from 2007 and onwards. Management for both companies will remain working for KMT following the acquisitions.

Privately-owned Robotic Production Technology (RPT), based in Auburn Hills, Michigan, is the leading turnkey robotic manufacturing systems provider in North America. Established in 1986, the company specializes in high precision trimming applications such as waterjet cutting, router trimming and laser cutting. The served market segments include aerospace, appliance, automotive, composites, construction, consumer goods, marine and plastics industries. The global market size for its business is estimated to USD 100 million with an estimated annual growth rate of 3-5 percent.

RPT has a staff of 80 employees and an annual turnover of approximately USD 35 million with good profitability. The business has an installed base of approximately 3,000 robotic systems.

H2O Jet Inc., founded in 1991 and based in Olympia, Washington, is a privately-owned custom manufacturer of high pressure waterjet cutting products and waterjet pump replacement parts. H2O Jet is the pioneer in the development of diamond nozzle technology for Ultra High Pressure (UHP) applications – as one of only two companies in the world - and leads the industry in the implementation of this extremely durable and cost effective technology. In addition, H2O Jet supplies components and replacement parts for waterjet cutting equipment, along with the H2O Jet family of Advantage UHP Intensifier Pumps.

H2O Jet has a staff of 30 employees and annual sales of approximately USD 10 million, of which the majority of sales are derived from the aftermarket segment. The company enjoys good profitability.

Internet Home Pages:

Robotic Production Technology (RPT) Inc.: www.rpt.net

H2O Jet Inc.: www.h2ojetcorp.com

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