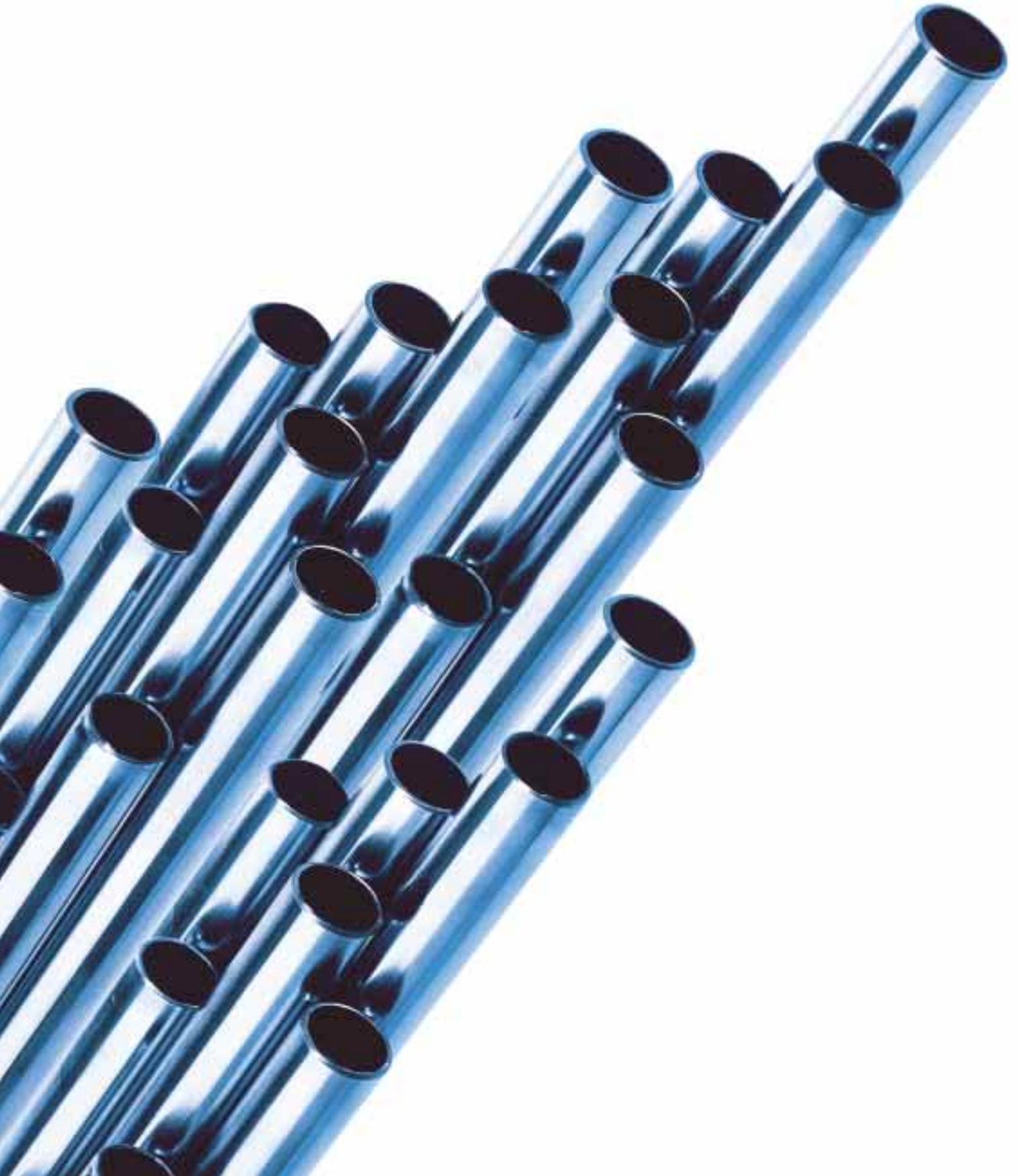


Meet
Sandvik 3/98





THE NEW ULTRAMODERN TUBE MILL STRENGTHENS SANDVIK'S POSITION IN SEAMLESS STAINLESS TUBE. SARA BERG AND HANS HEDELL. BELOW:HÅKAN RUNESSON.

New tube mill *provides greater flexibility*

Sandvik Steel in Sandviken is starting up a new tube mill for production of advanced, seamless stainless tubes for heat exchangers. Among other areas, these are used in the chemicals and refinery industries. Nearly SEK 250 M was invested in the first phase of this project. The 300-meter-long plant houses a pilger mill, degreasing, annealing and finishing equipment. Most of the processes and equipment were developed by Sandvik Steel in

cooperation with the suppliers.

The investment expands capacity parallel with increasing flexibility. This provides the possibility to offer the customer shorter delivery times. Consequently, Sandvik's competitiveness is strengthened significantly in this attractive growth segment and customers' requests for increased performance can now be met in a better way. At full capacity, this ultramodern tube mill will employ 30 persons ●





Close to the source

The Sandvik International regional company is continuing its expansion eastward. A representative office has now been opened in the "oil city" of Baku in Azerbaijan on the west coast of the Caspian Sea. A new region – Central Asia – has been established at the same time. With the Baku office as a base, commercial contacts will also be developed in such countries as Kazakhstan, Kyrgyzstan, Tadjikistan, Turkmenistan and Uzbekistan ●

When only the best is good enough

When such disposable products as diapers, sanitary pads, panty liners, bandages and coffee filters are manufactured, they have to be cut to achieve their typical profiles. And the precision of the cut of a diaper, for example, must be perfect. To obtain good results and at the same time prolong the life of cutting tools, Sandvik Hard Materials has developed rotary knives made of cemented carbide. They meet customers' demands for precision, operating safety and durability up to 100 times more effectively than standard steel knives. For example, the cemented-carbide knives can cut materials as thin as 0.2 millimeters and at a speed of approximately 10 diapers per second. Talk about quick changes! ●



Focus on IT

Sandvik's future development in the field of IT (Information Technology) is of great importance for the various business areas and for the Group as a whole. Accordingly, a special function has been established at the Group level to deal with major IT issues. Lars-Anders Nordqvist, formerly President of Sandvik Rock Tools, has been named manager of the new unit ●



The making of a legend

To many people, straddling a motorcycle and taking to the open roads is the ultimate freedom. For real enthusiasts, the characteristic sound of a powerful V-twin engine adds an extra dimension to this experience.

Production of such an engine requires leading-edge technology, combined with respect for tradition. For example, the tools used for metalworking have to be of the utmost quality. In other words, it is natural for a legendary manufacturer of motorcycles to cooperate with Sandvik Coromant, the world's leading manufacturer of turning, milling and drilling tools ●

Tamrock machines to Japan

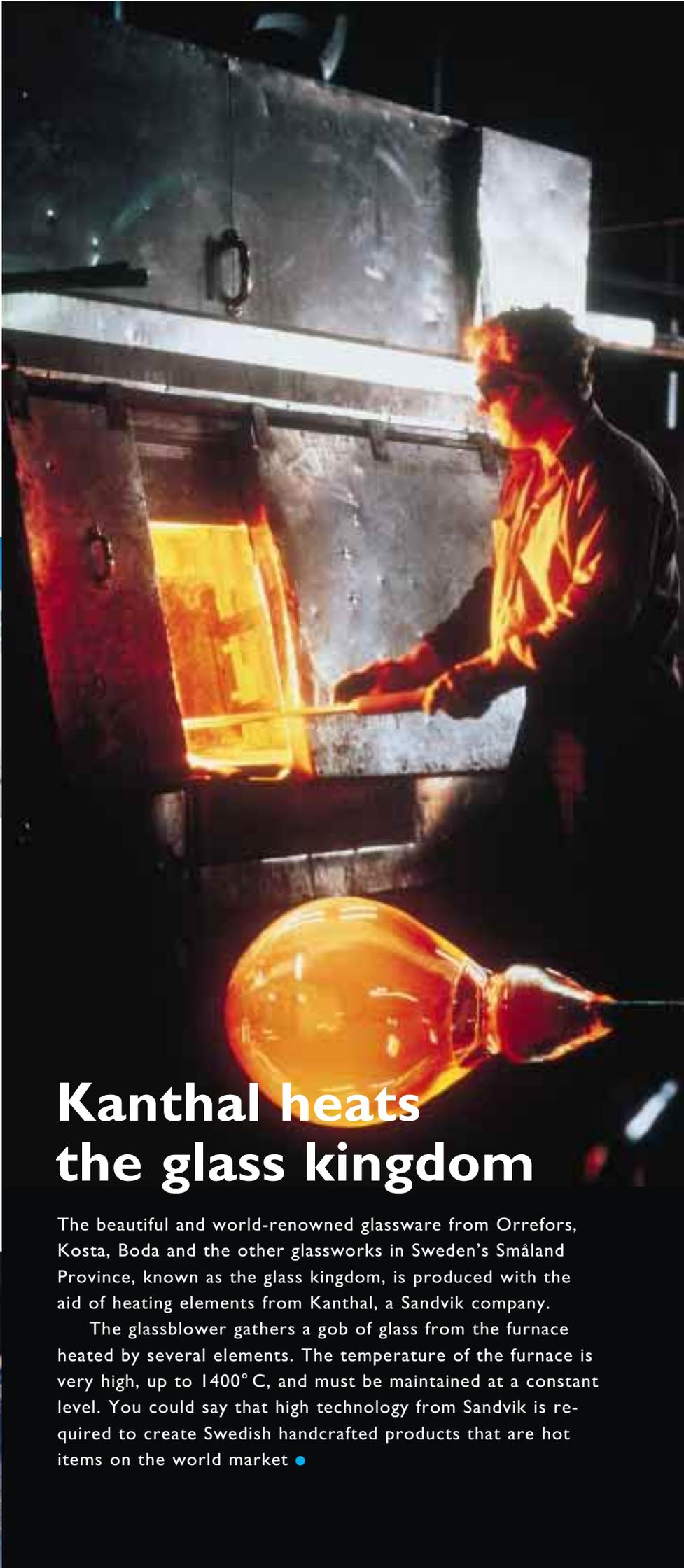
The Japanese company KBC is one of Asia's largest leasers of machinery for construction work and a major customer of Sandvik Tamrock. Recently, KBC purchased 15 tunnel-drilling rigs from Tamrock, which is one of the largest orders received by the company to date. Used in advanced tunnel-driving, these machines will be well used since the company is involved in a number of construction contracts in Japan, including several large tunnel projects ●



Cutting edge technology

Are you one of the enthusiasts in colder climes who straps on your cross-country skates each year when the waterways freeze over? If so, you can offer an appreciative thought to Sandvik.

Sandvik Steel produces an advanced chromium-alloy steel used in the blades. The combination of corrosion resistance and hardness ensures a lasting sharpness; properties appreciated by the skate manufacturers and skaters. Without exaggeration, a cutting edge! ●



Kanthal heats the glass kingdom

The beautiful and world-renowned glassware from Orrefors, Kosta, Boda and the other glassworks in Sweden's Småland Province, known as the glass kingdom, is produced with the aid of heating elements from Kanthal, a Sandvik company.

The glassblower gathers a gob of glass from the furnace heated by several elements. The temperature of the furnace is very high, up to 1400°C, and must be maintained at a constant level. You could say that high technology from Sandvik is required to create Swedish handcrafted products that are hot items on the world market ●

An important cog in Europe's engine



Because of its key role as an industrial nation

Germany is commonly called Europe's engine. The country is also of major importance to Sandvik. It is the Group's second-largest market, contributing annual sales of approximately SEK 3.5 billion with slightly more than 2,200 employees.

Germany has historically always been an important market for Sandvik. The first agency was established in the country in the 1860s and the first Sandvik companies in the 1920s. The Sandvik GmbH subsidiary, based in Düsseldorf, began operations in 1948 and is thus celebrating its fiftieth anniversary this year. Speaking of history, did you know that cemented carbide was discovered in Germany in the early 1920s?

Sandvik GmbH is very much a German company. Being well represented with production units within the country creates credibility in the marketplace. Today there are 11 plants and the company is represented in more than 30 locations throughout the country.

Sandvik has expanded strongly and the company today is the leader in its niche areas – for example, stainless specialty steel products, cemented carbide and rock-drilling tools. The potential is substantial.

The company has customers in virtually all sectors of Germany industry, regardless of the field or the size of an enterprise. The engineering industry, including the fine-mechanical industry and the process industry are some of the most important customer segments.

Sandvik occupies a strong position as a supplier of cutting tools to leading manufacturers in the growing German automotive industry.

Companies such as Mercedes-Benz, Ford, Opel, BMW and VW are important customers for Sandvik Coromant. Sights are set on continuing to take market shares in severe competition with German, American and Japanese companies. Our competitive weapon consists of helping customers to increase their productivity and profitability. Increased sales through distributors, close cooperation with customers through part-

product that has been highly successful. In this market, as in others, Sandvik has achieved its position based on such factors as quality, reliability and – not least – service.

Sandvik in Germany has many faces. Group companies active in Germany include, for example: Sandvik Hard Materials; Sandvik Belzer, which manufactures specialty tools in the Sandvik Saws and Tools Business Area; Sandvik Process



nerships and focus on machine tool manufacturers build important elements in this aggressive strategy.

From its warehouse in Düsseldorf, Sandvik Steel supplies the German market with highly specialized stainless products in the form of tubing, strip, wire and bar. Sandvik has a particularly strong position in the seamless tubing segment, notably with respect to companies in the German processing industry.

Thin strip steel used in the catalytic converters for cars is another

Systems; the Günther, Prototyp and Dormer high-speed steel companies; and – last but not least – Kanthal and Sandvik Mining and Construction.

Regardless of which part of Sandvik in Germany is involved, the same productive concept applies: Dependable tradition combined with innovative thinking. The Group is one of the cogs in the machinery of Europe's engine ●



Electric wet shave!

It's true. Now a man can actually obtain a wet shave using an electric shaver. The "Cool Skin" shaver recently introduced by Philips does the trick.

It imposes completely new demands on the steel in the cutting heads of the shaver. Moreover, while shaving you can also spread a gel over your skin. As a result, the steel has to be exceptionally resistant to corrosion. This sounds like something for Sandvik Steel. The clear cut information is that Sandvik also has the steel with the properties required for this new way of shaving ●

New Training Center in Poland

A new Training Center for metalworking was recently inaugurated at Sandvik Baildonit in Katowice, Poland, by CEO Clas Åke Hedström. The well-equipped center, the first company-owned facility of its type in the country, constitutes the latest step in the ongoing investment program at Sandvik Baildonit. The investments are being made in new production equipment, data processing technology and measures to improve the environment.

Sandvik Baildonit is Poland's largest producer of cemented-carbide tools used in metalworking operations. With the new center, the company will be able to conduct tests and practical demonstrations and train customers' technicians and specialists, as well as its own, in chip-forming metalworking technology. Students will also be trained.

The Center represents an important contribution toward increasing expertise and promoting growth in Poland's expanding industry ●



1,000 before the year 2000?

The 800th Rotoform system manufactured by Sandvik Process Systems was delivered to a Chinese oil refinery recently. Since the patented concept was first presented in 1980, it has been a sales success throughout the world, in the food

and chemical industries in particular. The system is used for solidifying of melted materials into solid pastilles using a steel belt cooler ●





INAUGURATION CEREMONY FOR THE NEW TITEX PLANT IN INDIA. (L TO R) HANS C GASS, PRESIDENT OF SANDVIK ASIA, KLAUS SCHOLL, PRESIDENT OF THE TITEX COMPANIES AND WERNER KRÄHER, MANAGING DIRECTOR OF TITEX INDIA.

New Titex plant in India

Titex within CTT Tools officially opened a new tool factory and a sales office in India in October. The new plant is located in Pune, southeast of Bombay, at Sandvik's main plant in the country.

The new facility brings the company closer to the customer in the Indian market and facilitates offering high-technology products and service more efficiently – in the high-speed steel segment as well as solid cemented carbide. The demand for advanced products in these areas is increasing and the potential for Titex is great ●

Expansion in Argentina

Sandvik Saws and Tools' plant in Santo Tome, Argentina, northwest of the capital city of Buenos Aires, has focused its manufacturing in recent years on sockets, spanners and various accessories. The plant, opened thirty years ago, is currently undergoing an expansive development phase.

Investments are being made in new, more efficient production methods. Capacity is being expanded. All measures are aimed at further strengthening competitiveness. The Sandvik Bahco brand has held a strong position on the tool market in Argentina for many years but also has an important role in Sandvik Saws and Tools' international tool export ●



Sandvik secures record order in power area

Quality and delivery reliability have resulted in a record order for Sandvik Steel. Earlier this year, Japan Nuclear Fuel, a manufacturer of fuel elements for the nuclear power industry, ordered 30,000 4-meter-long tubes for delivery during 1999. The most critical component in the fuel element is the small diameter cladding tube in which the uranium is loaded. These are produced by Sandvik Steel in a special alloy called zircaloy and meet extremely high safety requirements ●



Sandvik

in brief

- Annual sales exceeding SEK 40 billion
- 38,000 employees
- 300 companies
- Operations in 130 countries
- SEK 1.4 billion for R&D
- 2,600 patents

