



SECO TOOLS STRENGTHENS POSITION IN GROWTH REGION

Seco Tools is one of the world's leading manufacturers of carbide metal cutting products. The Group's strategy includes an offensive focus on geographical markets offering particularly good potential for growth.

In line with this ambition, Seco Tools has signed an agreement to acquire 100 per cent of the shares in the tool manufacturer ALG based in Moscow, Russia. The acquisition is part of the Group's goal to maintain an active presence in all major industrial markets worldwide. ALG, whose customers are found in metal cutting machining and wear parts, has shown robust growth in recent years and is regarded as a strong brand in the Russian market and is one of the top three toolmakers in Russia.

The combination of ALG's customer base, distribution network and strong brand with Seco Tools' product offering and technical expertise is expected to provide an excellent platform for increased sales over the next few years. ALG currently has an annual turnover of over SEK 100 million and around 170 employees.

"We are very pleased to have this opportunity to strengthen our position in a growth region as important as Russia. The acquisition complements the other steps we are now taking in Russia to achieve customer closeness and partnerability for key groups in the market. The emerging economies have a vital role to play in expanding our market shares, and we see these ventures as a key component of this strategy," says Kai Wörn, President and CEO of Seco Tools.

The transaction is planned for completion in the first quarter of 2008 and is conditional on approval from the relevant authorities. The acquisition is expected to make a positive contribution to earnings per share starting in 2008.

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