

Press Release

4 September 2008

Sapa will not acquire the Chinese extrusion company Kam Kiu Aluminium

Reference is made to the press release by Sapa AB dated 5 February, 2008, regarding the signing of a letter of intent to acquire the Chinese extrusion company Kam Kiu Aluminium. Sapa has now called-off its attempt to acquire the company.

Sapa AB has performed due diligence on Kam Kiu Aluminium over a period of seven months. This process has confirmed the strong capabilities of Kam Kiu, the strategic rationale of the acquisition and the opportunities that it presents for Sapa. In spite of this, unfortunately the parties involved have not succeeded in agreeing upon the terms required to complete the transaction.

“It is unfortunate that we are not able to complete the acquisition of Kam Kiu at this time as we intended. Sapa AB will, however, continue its aggressive growth plans in China, in particular within fabricated products. Over the last few months there has been extensive communication between the Kam Kiu and Sapa organisations, and a number of business opportunities in China have been identified. Kam Kiu and Sapa now intend to develop these opportunities jointly, drawing upon the strengths of both companies”, says Ole Enger, President and CEO of Sapa AB.

For further information please contact Marius Grønningsaeter, Senior Vice President Corporate Business, telephone: +46-8-459 59 32.

Sapa is an international industrial group, which develops and markets value-added aluminium profiles, profile-based components and systems, and heat exchanger strip in aluminium. Sapa has a turnover of approximately 35 billion SEK, with 15,000 employees all over Europe and in USA and China. Sapa is one of Europe's leading companies within its field and the customers are found in the transport, building, engineering and telecom industries. Sapa is part of Norwegian Orkla, listed on the Oslo Exchange.

Further information about Sapa can be found on our web site www.sapagroup.com