



Press Release

Sandvik acquires Varel International Energy Services Inc.

Sandvik has reached an agreement to acquire Varel International Energy Services Inc. (Varel). The acquisition price amounts to approximately 740 million USD. The closing of the acquisition is subject to standard regulatory approvals and certain environmental due diligence.

Varel is a global supplier of drilling solutions focusing on drill bits, downhole products for well construction and well completion. The key customer segment is in the Oil and Gas sector, with some exposure to the mining and construction industries. The manufacturing sites are located in Houston (USA), Matamoros (Mexico), Aberdeen (Scotland), Tarbes (France), and Kurgan (Russia). The head office is based in Carrollton, Texas, USA.

Revenues in 2013 were approximately 340 million USD and number of employees about 1,300. The acquisition is expected to be slightly accretive to earnings per share already in the first year. Varel will form a new product area within the business area Sandvik Venture.

"The acquisition forms a platform to enable Sandvik to enter into drilling solutions in the oil and gas sector. The combination of Varel's solid market position and strong customer offering, and Sandvik's broader drilling solutions capabilities as well as the extensive knowledge in highly relevant materials and cutting technology will support Varel's continued growth. I am very impressed by the Varel team and I am excited about our joint opportunities going forward", says Tomas Nordahl, President of Sandvik Venture.

"The acquisition continues to position Sandvik in attractive growth segments where we will deliver solutions that increase customers' productivity. This is in line with Sandvik's growth ambition and a way to leverage our technical know how and Varel's market position", says Olof Faxander, Sandvik's President and CEO.

Stockholm, 7 January 2014
Sandvik AB

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 16.00 CET on 7 January, 2014.

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Sandvik Group

Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, equipment and tools for the mining and construction industries, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems. In 2012 the Group had about 49,000 employees and representation in 130 countries, with annual sales of about 99,000 million SEK.

Sandvik Venture

Sandvik Venture is a business area within the Sandvik Group aiming to create value through profitable growth of small to mid-sized businesses of particular interest for Sandvik. The product areas comprise Wolfram, Sandvik Process Systems and Sandvik Hyperion. In 2012 sales amounted to about 6,000 million SEK, with approximately 2,700 employees.

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