

GIBRALTAR BUYS HÖGANÄS DIVISION FOR \$41 MILLION

BY PHILIP BURGERT

■ CHICAGO — New York-based metal processor Gibraltar Steel has purchased the copper powder metal division of the former SCM Metal Products from North American Höganäs, a unit of Sweden's Höganäs AB, for about \$41 million.

Höganäs said in February that it intended to sell the copper-based business lines it purchased last year from OM Group and focus on its long-established core businesses in such segments as iron- and high alloy-based products.

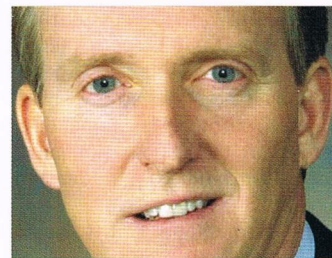
The copper-based businesses in North Carolina's Research Triangle

Park were part of OM Group's SCM Metal Products special powders unit. Höganäs paid \$65 million for the whole unit.

Höganäs has since renamed the SCM subsidiary North American Höganäs High Alloys, which is based in Pennsylvania and continues to manufacture such products as stainless steel metal powders, gas-atomised nickel powders and electrolytic iron powders.

It also produces a dispersion-strengthened copper alloy of high electrical conductivity called Glidcop.

The SCM copper powder metal division had sales of about \$45



Lipke: looking to build and strengthen Gibraltar's combined businesses

million in 2003, Gibraltar executives said. Division president George Gillespie and other managers have agreed to continue under the new ownership.

The acquisition was Gibraltar's second in the powder metal products industry following the purchase of Pennsylvania Industrial Heat Treaters in early 2001. The purchase also is the company's ninth involving heat-treating, giving the company about \$150 million in annual sales in the sector.

"There are many opportunities to combine the expertise and experience in our heat-treating and process steel business with SCM to build and strengthen our combined businesses," said Gibraltar chairman and ceo Brian Lipke. "The acquisition is consistent with our strategy of finding fragmented, high-growth markets."