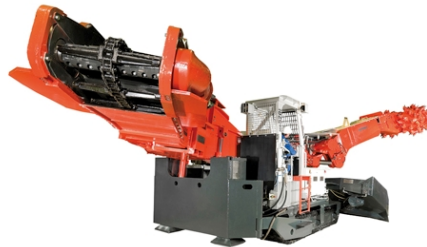


Sandvik Q4

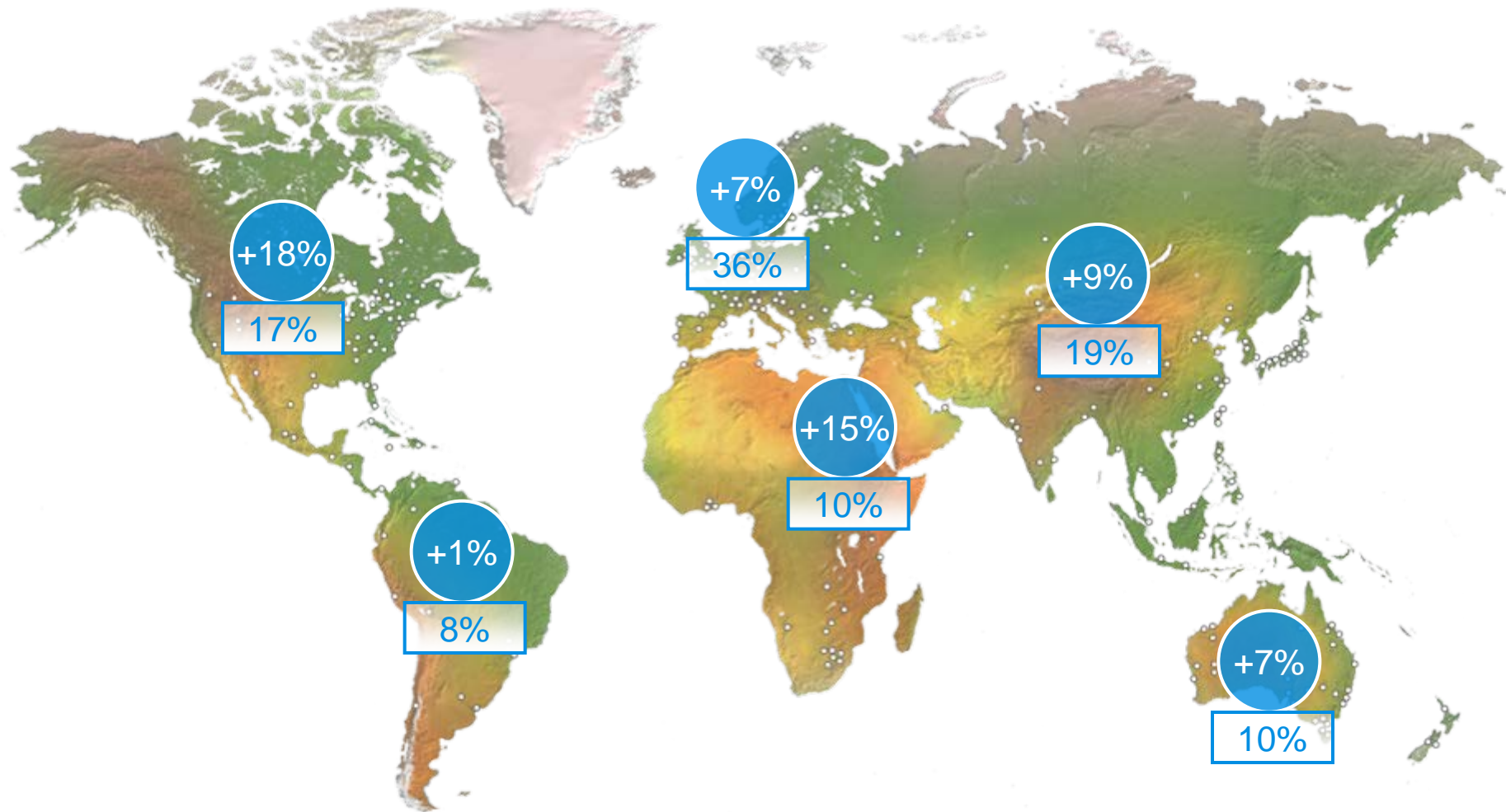
**Interim results
1 February 2012**



Quarterly highlights

- Invoicing at all time high, 25,104 MSEK
- Overall stable demand
 - ✓ Strong demand for Tooling and Mining
 - ✓ Continued weak demand for Construction
 - ✓ Weakening demand for Materials Technology
- Adjusted EBIT 3,240 MSEK, 12.9%
 - ✓ One-off items -1,591 MSEK
 - ✓ Reported EBIT 1,649 MSEK or 6.6%
- Return on capital employed 16.0%
- Updated financial targets
- Seco Tools to be a fully owned subsidiary

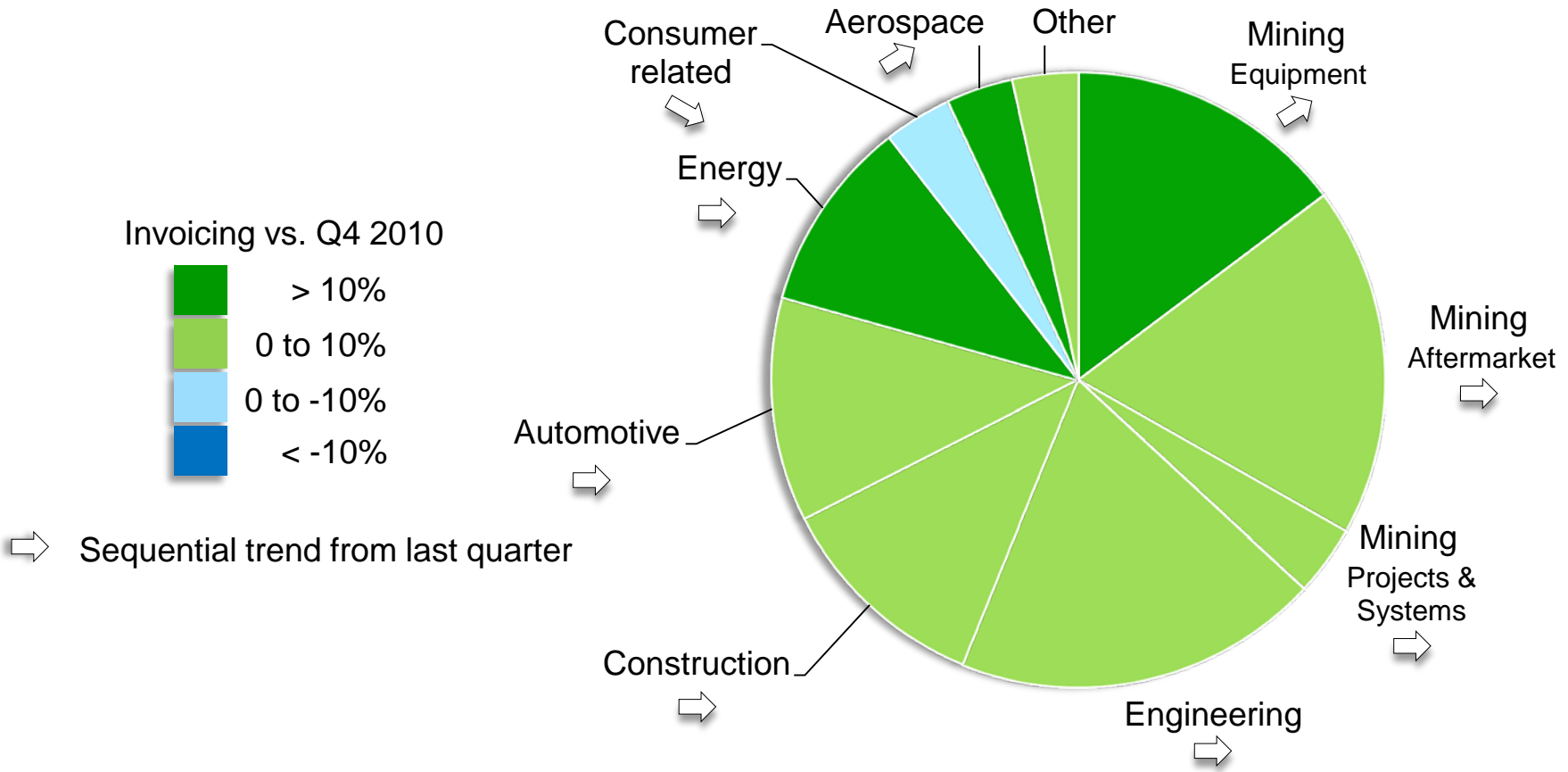
Invoicing by market



⊘ Invoicing (p/v) Q4 2011, change compared with Q4 2010

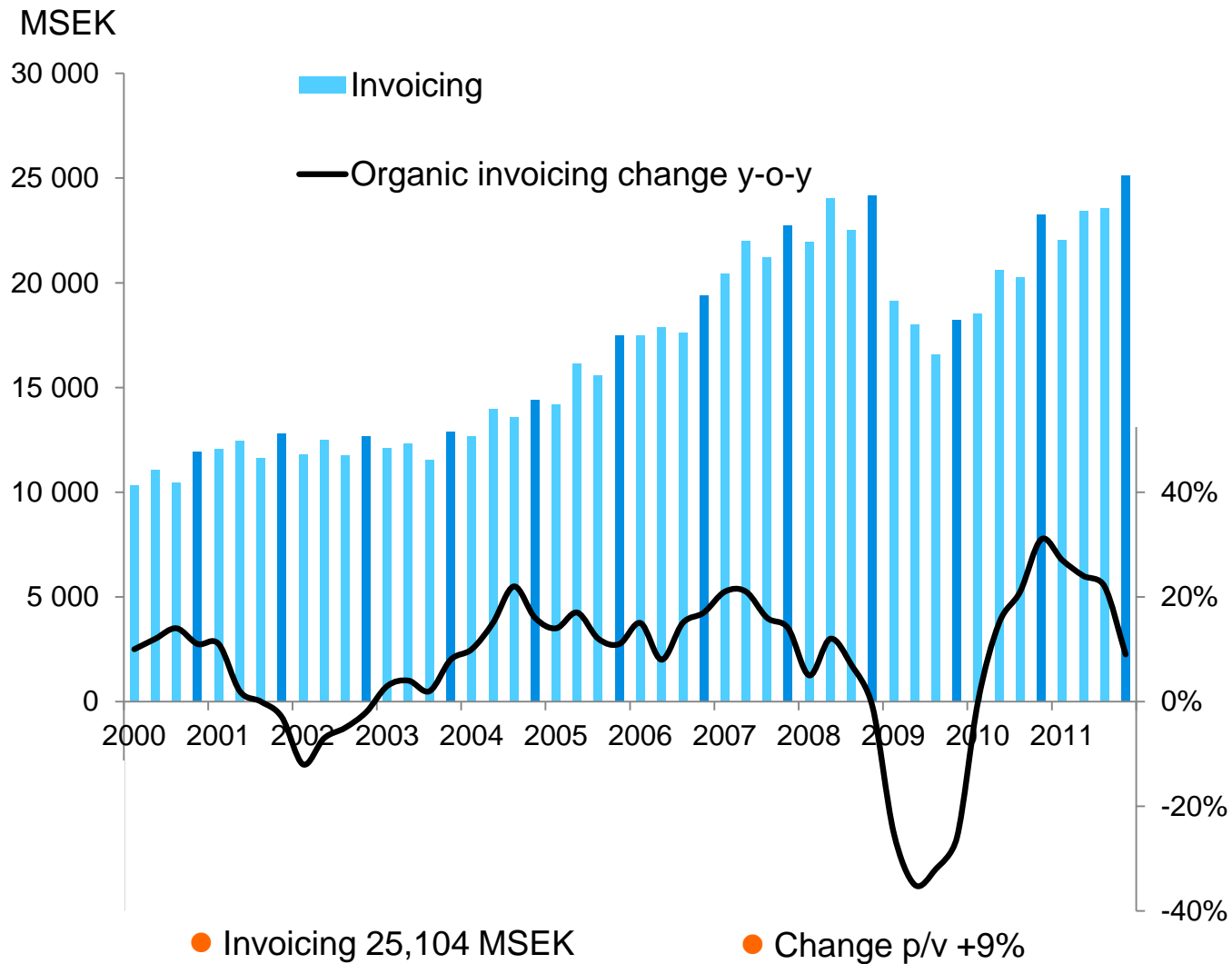
▭ % Share of Group total

Customer segments

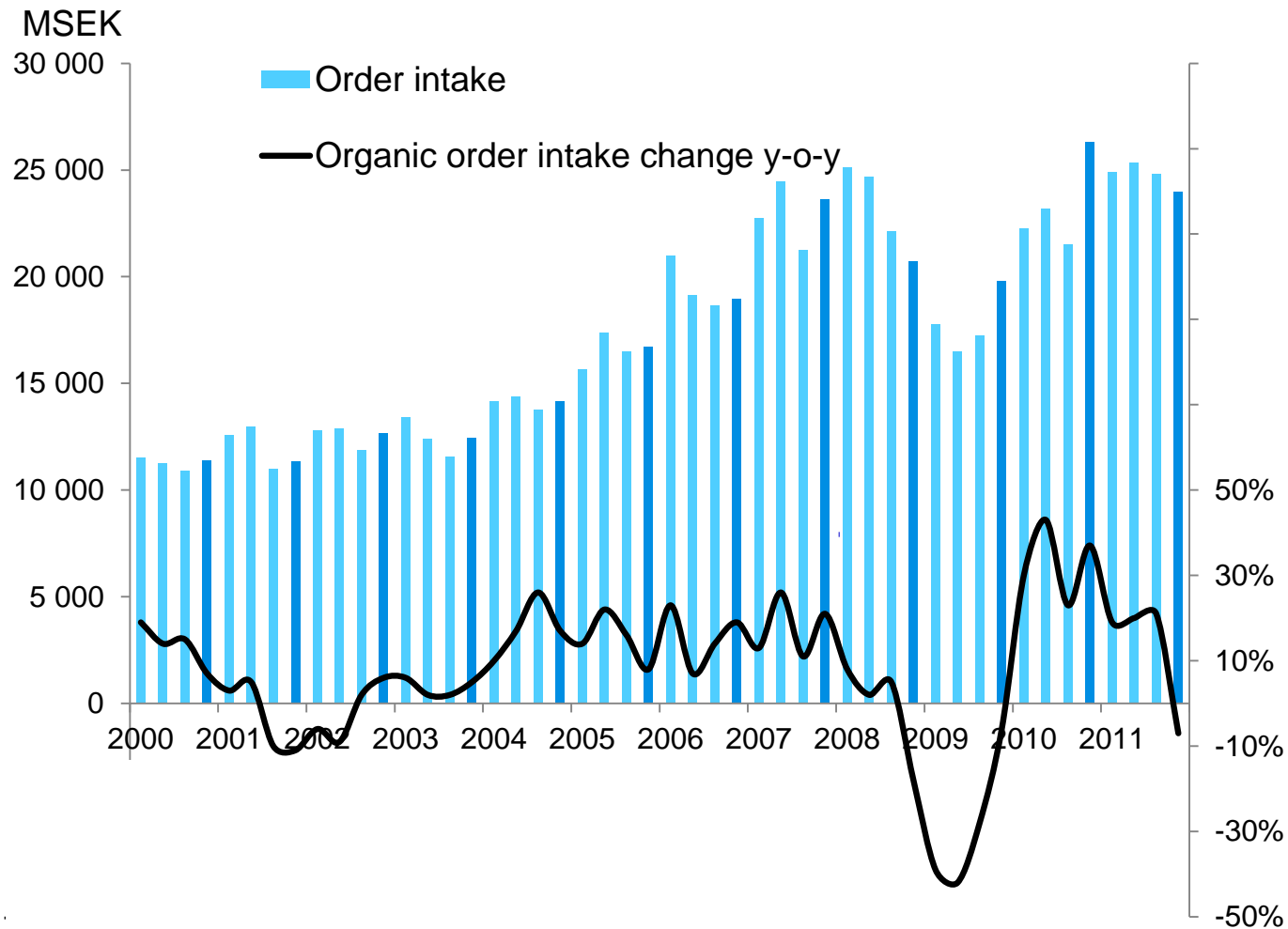


Pie chart representing share of invoicing 2011

Invoicing



Order intake

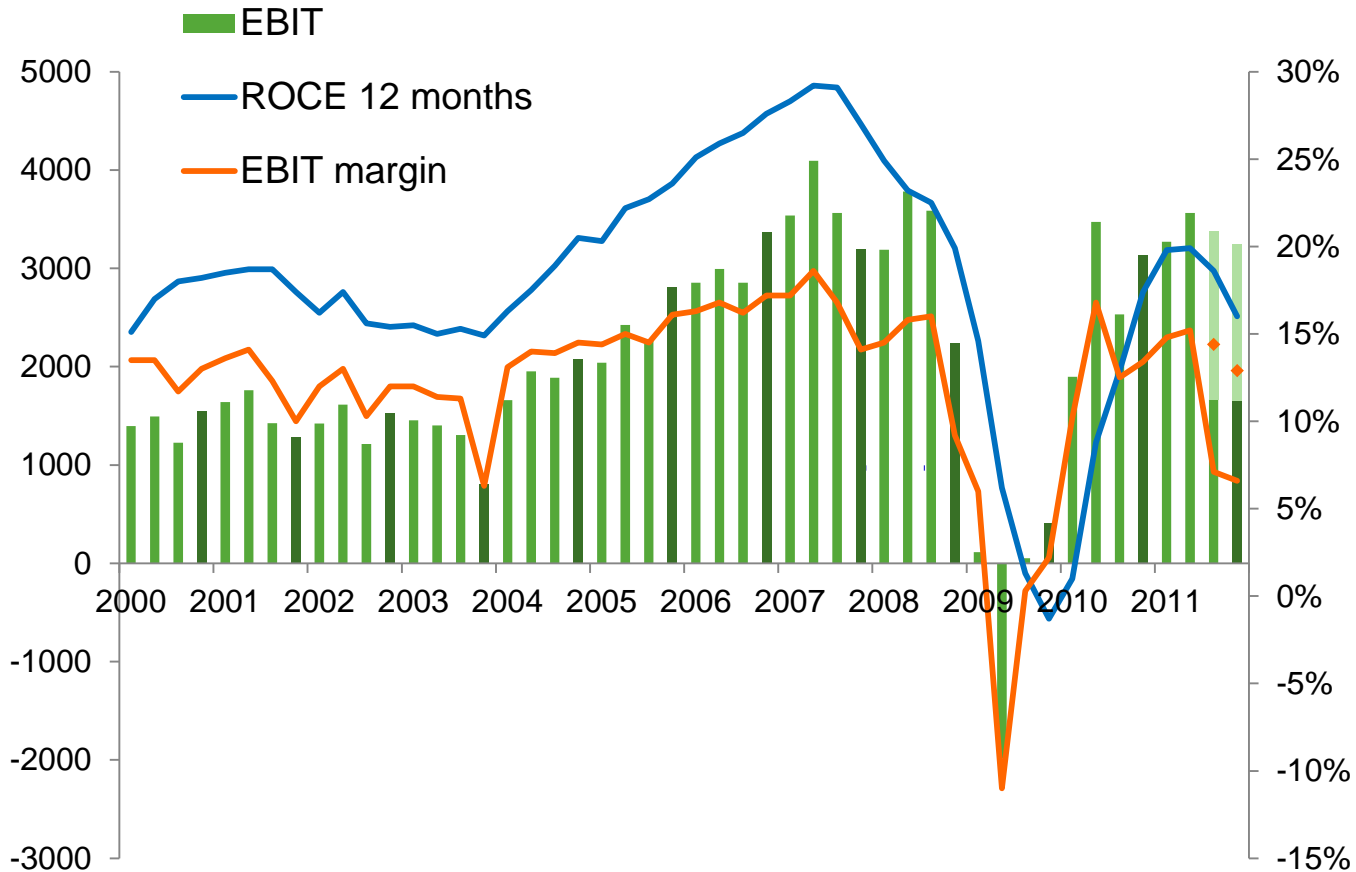


● Order intake 23,990 MSEK

● Change p/v -7%

EBIT and ROCE

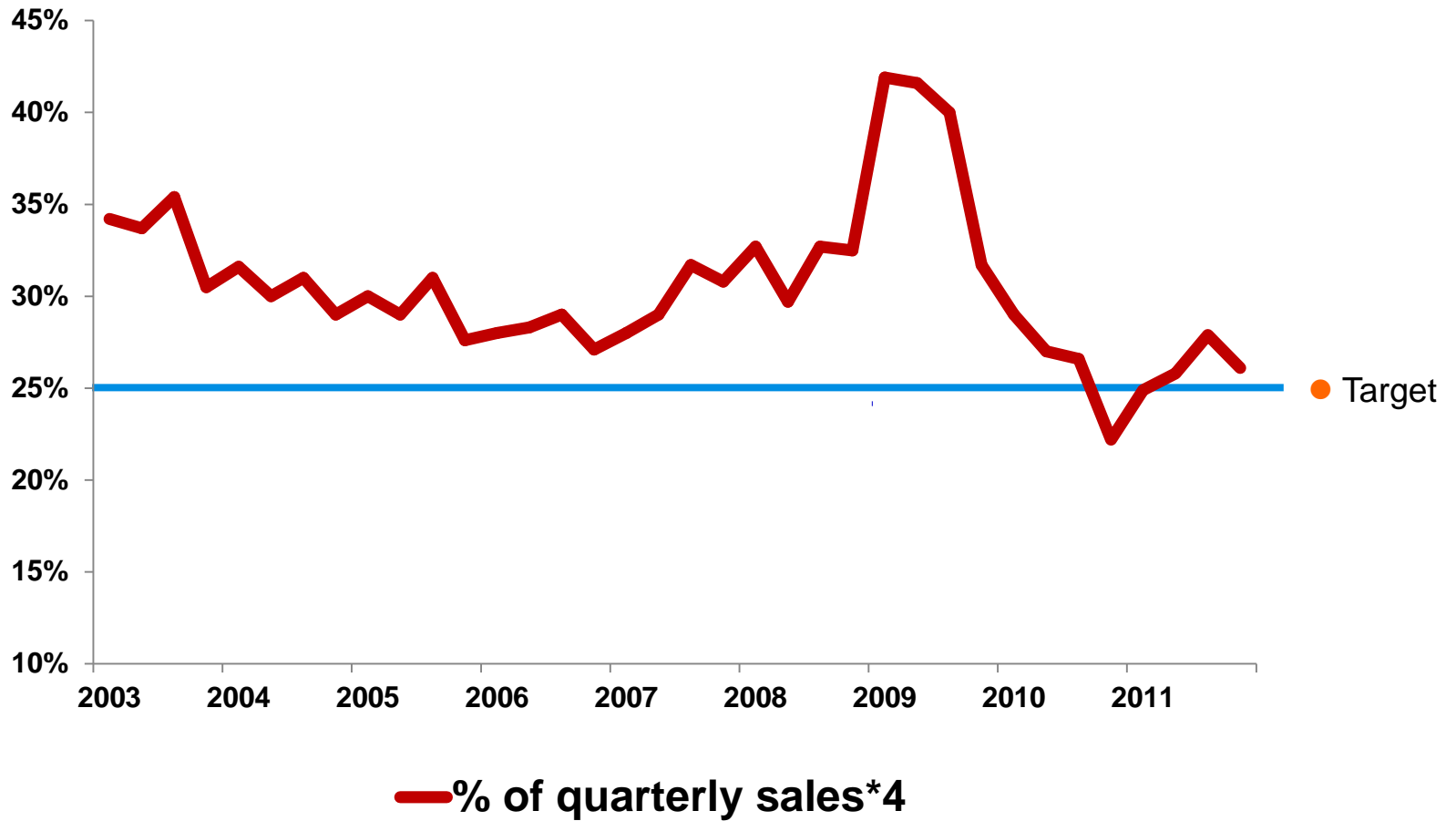
MSEK



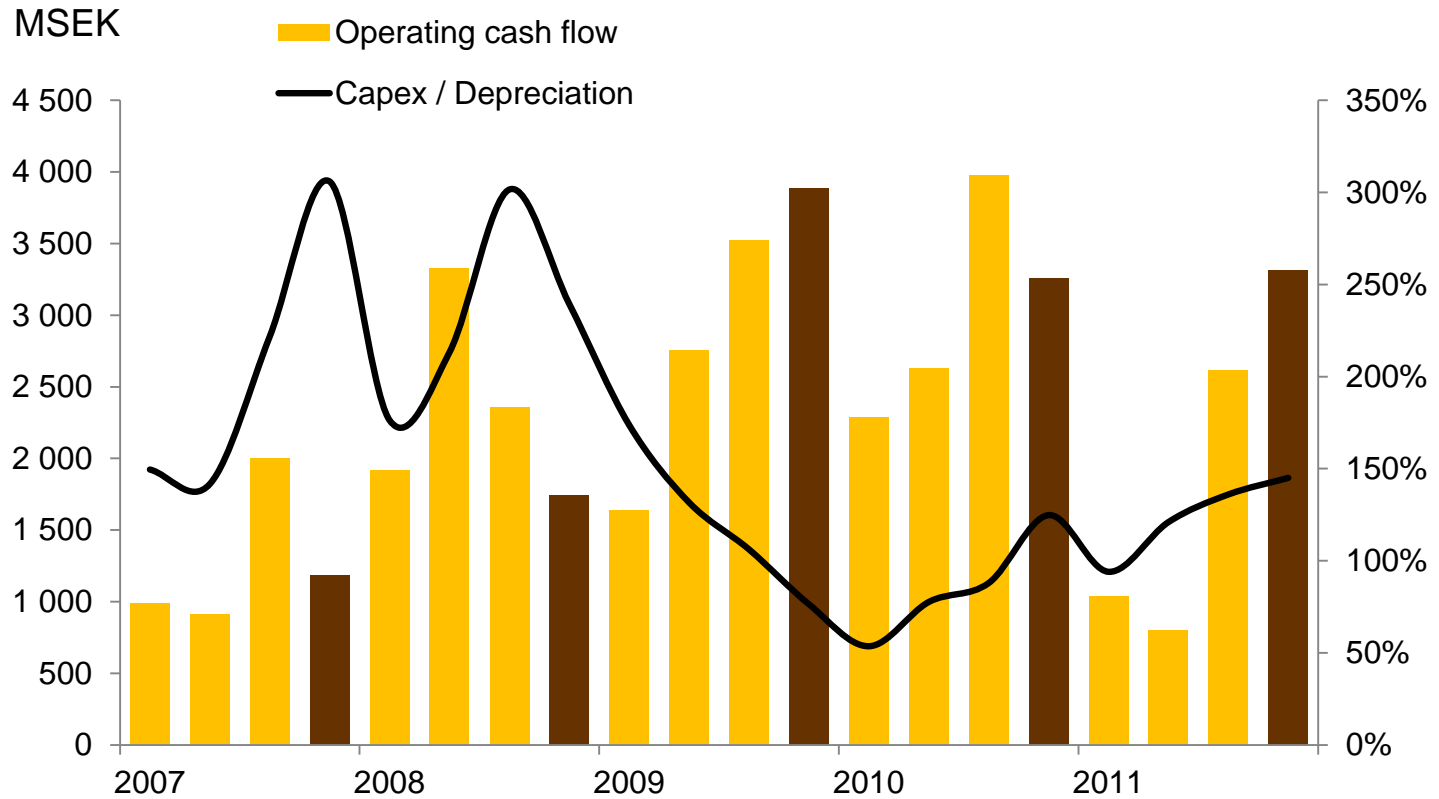
Reported ● EBIT 1,649 MSEK ● EBIT margin 6.6% ● ROCE 16.0%

Adjusted ● EBIT 3,240 MSEK ● EBIT margin 12.9%

Net Working Capital



Cash flow



● Cash flow from operating activities 3,312 MSEK

Bridge analysis

MSEK	Q4 2010	Price/ volume/ Productivity	Currency	Structure, one-offs*	Q4 2011
Sandvik Group					
Invoiced sales	23,276	+2,350	-500	0	25,104
EBIT	3,129	+425	-200	-1,700	1,649
EBIT margin	13.4%	+18%			6.6%

* Includes metal price effects

Sandvik Tooling

- Continued strong demand driven by Automotive, Aerospace and Energy
- Adjusted EBIT ~1,650 MSEK
 - ✓ Increased volumes
 - ✓ Positive price effect
- Reported EBIT 1,441 MSEK, 20.3%
 - ✓ One off items -200 MSEK
 - ✓ Currency effects -50 MSEK
- Strong cash flow
- ROCE 28.4%
 - ✓ Net working capital 25% of invoicing

Sandvik Mining and Construction

- Stable demand on a high level
 - ✓ Strong mining demand
 - ✓ Continued weak business climate within Construction
- Adjusted EBIT ~1,450 MSEK
- Reported EBIT 964 MSEK, 8.3%
 - ✓ One off items -500 MSEK
- ROCE 27.4%
 - ✓ Net working capital 25% of invoicing
- Shanbao consolidated

Sandvik Materials Technology

- Mixed demand
 - ✓ Strong demand in Oil/gas
 - ✓ Weaker in consumer related and standard products
 - ✓ Good demand in North America but weaker in Europe and Asia

- Adjusted EBIT ~70 MSEK

- Reported EBIT -841 MSEK, -18.5%
 - ✓ One-off items -900 MSEK
 - ✓ Metal price effect -125 MSEK

- ROCE -9.8%
 - ✓ Net working capital 32% of invoicing
 - ✓ Decreased inventory

Estimated one-off items

MSEK	Actual Q3	Actual Q4	Estimated remaining	Total estimated cost
Tooling	-	200	200	400
Mining and Construction	<100	500	-	500
Materials Technology	1,700	900	-	2,600
Total	>1,700	1,600	200	3,500
<i>Of which impacts cash flow*</i>	<100	1,000	150	1,200

*Note that the cash flow impact may occur in a different quarter then when the cost is taken

Updated financial targets

Previous targets

Organic growth	+8%
ROCE	+25%*
Dividend, % of EPS	≥50%
Net debt / equity	0.7 - 1.0

*ROCE based on current operations

Updated targets

Growth	+8%
ROCE	+25%
Dividend, % of EPS	50%
Net debt / equity	<0.8

Summary Q4

- Important and eventful quarter
 - ✓ Strategy and new organization in place
 - ✓ Offer to, and acceptance from, Seco Tool's shareholders
 - ✓ Updated financial targets
- Stable demand on a high level
- Profit influenced by one-off items
- Good cash flow

Summary 2011

- Highest order intake and invoicing in company history
- Second highest profit* in company history
- New CEO and Group Executive Management
- New strategy and organization
- Updated financial targets
- Seco Tools to be a fully owned subsidiary

*Operating profit excluding one-off items

Dividend

The Board of Directors proposes
a dividend of 3.25 SEK per share (3.00) for 2011

Sandvik Q4

Q&A session

Sandvik Q4

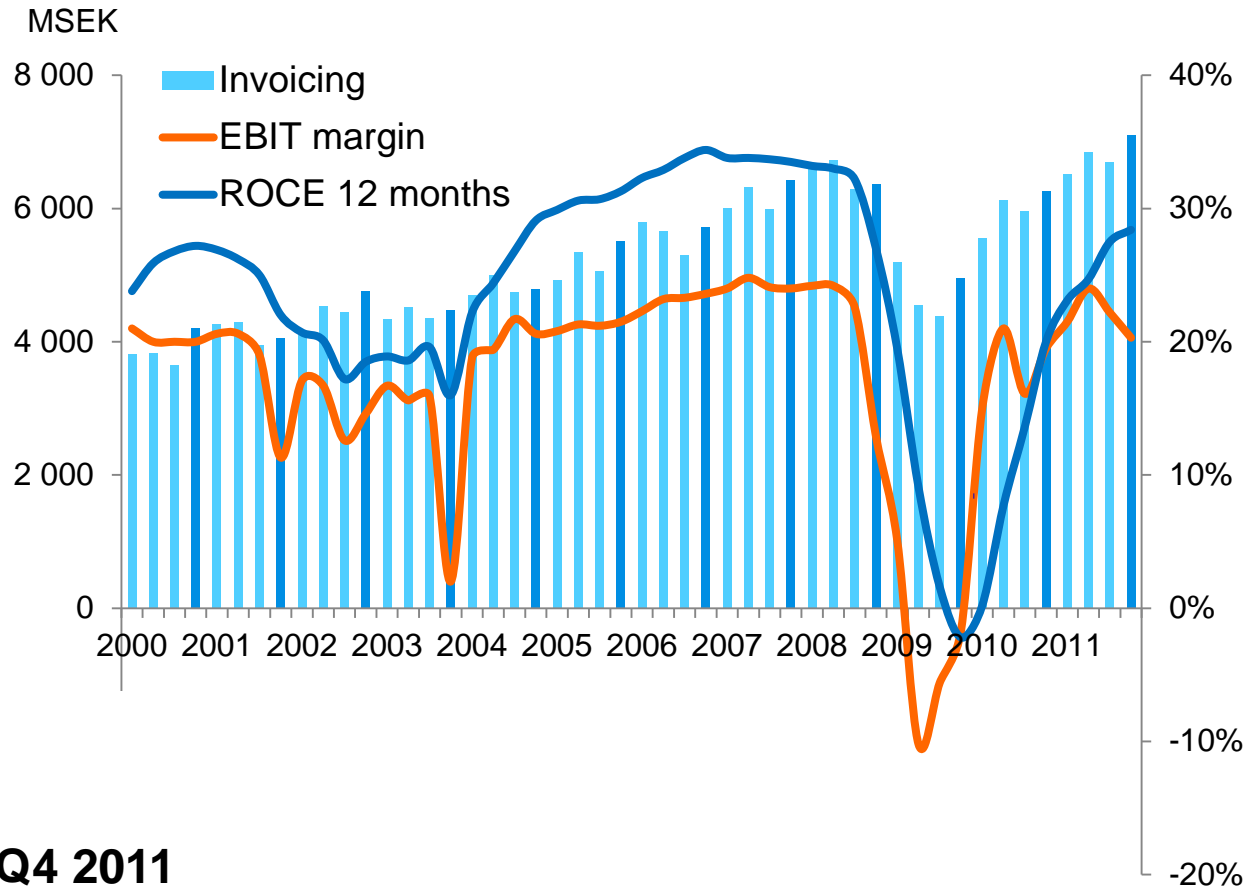
Back-up slides

Quarterly financials

MSEK	Q4 2010	Q4 2011	VS Q4 2010
Order intake	26,313	23,990	-7%*
Invoicing	23,276	25,104	+9%*
Reported EBIT	3,129	1,649	-47%
Reported EBIT margin	13.4%	6.6%	-
Adjusted EBIT	3,129	3,240	+3%
Adjusted EBIT margin	13.4%	12.9%	-
Operating cash flow	+3,259	+3,312	+2%
Cash flow after investing activities	+1,520	+1,604	+5%

* Change in price/volume

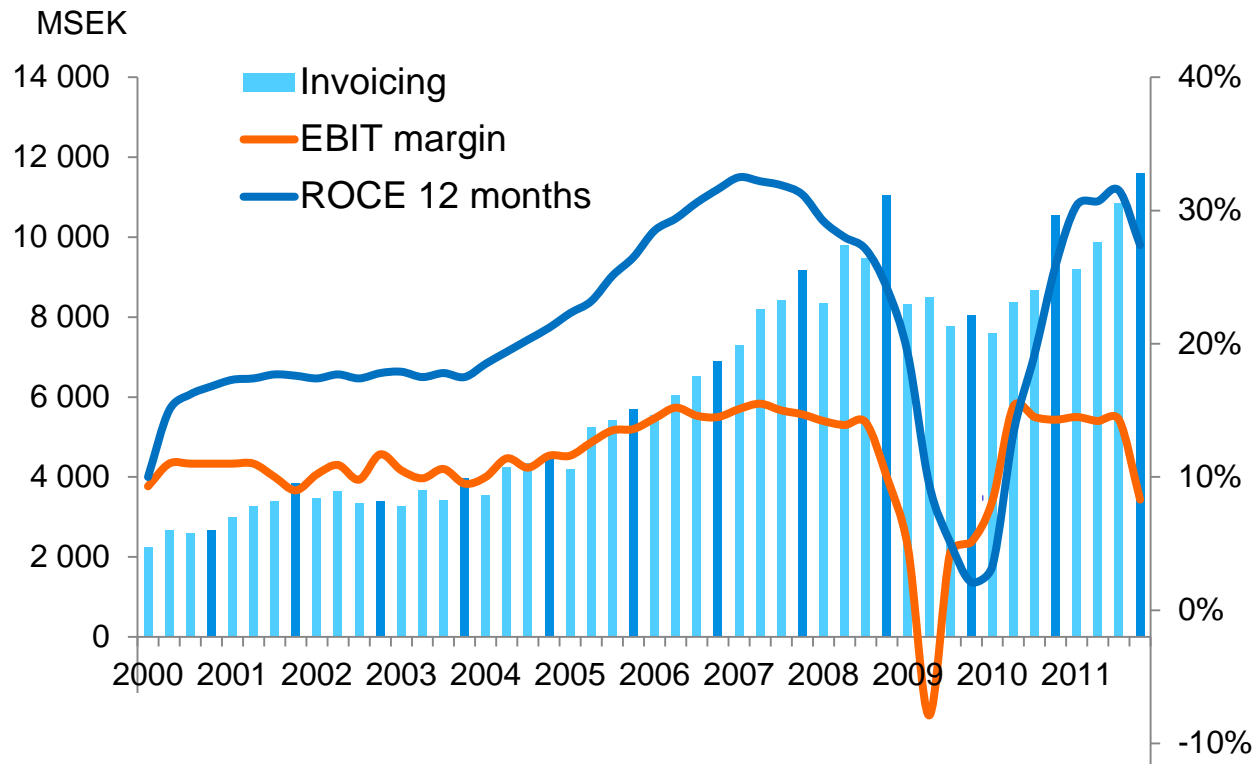
Sandvik Tooling



Q4 2011

- Order intake 7,385 MSEK
- Invoicing 7,104 MSEK
- EBIT 1,441 MSEK, 20.3%
- ROCE 28.4%

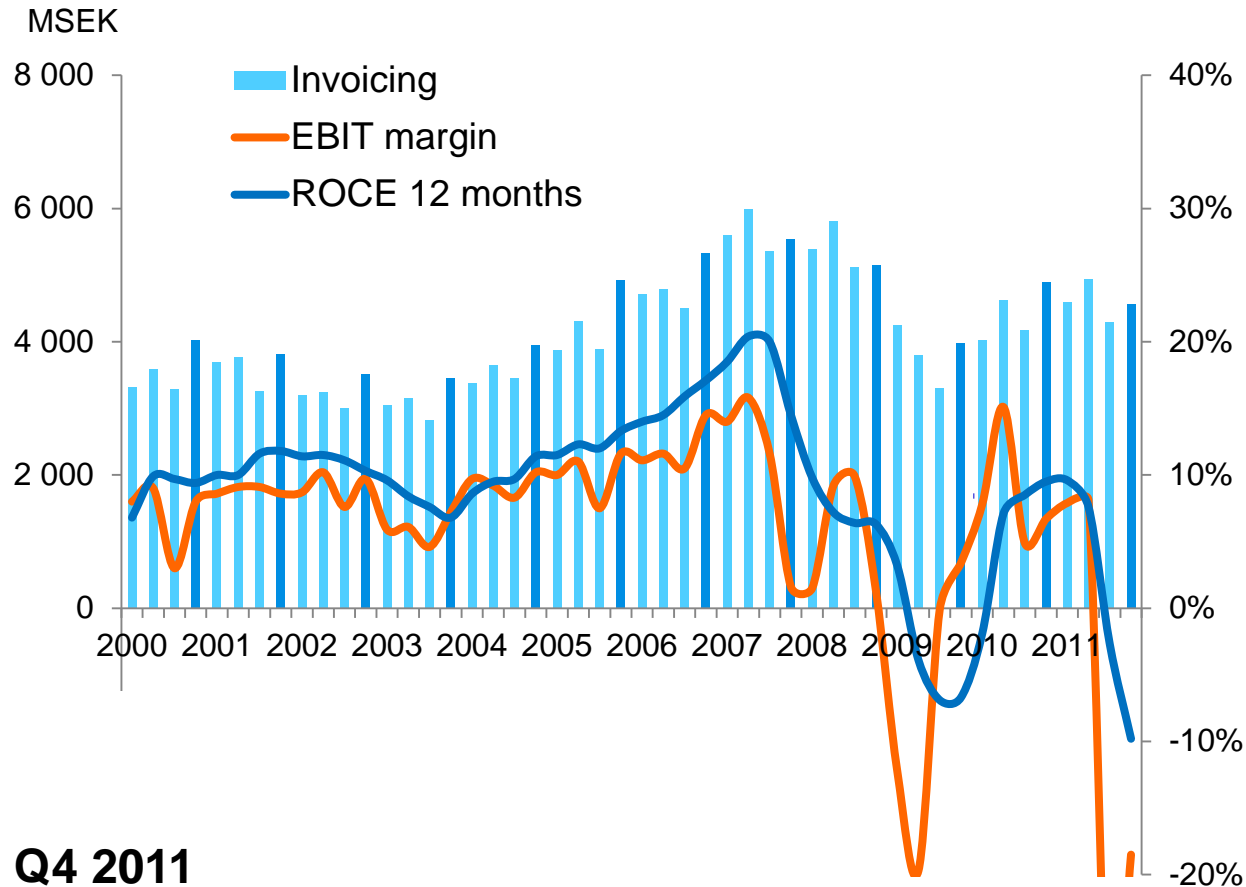
Sandvik Mining and Construction



Q4 2011

- Order intake 10,615 MSEK
- Invoicing 11,589 MSEK
- EBIT 964 MSEK, 8.3%
- ROCE 27.4%

Sandvik Materials Technology



Q4 2011

- Order intake 4,124 MSEK
- Invoicing 4,556 MSEK
- EBIT -841 MSEK, -18.5%
- ROCE -9.8%

Pro forma data

2011	Sandvik Construction	Sandvik Machining Solutions	Sandvik Materials Technology	Sandvik Mining	Sandvik Venture
Invoicing, MSEK	9,249	28,171	16,339	32,232	8,056
EBIT, MSEK*	340	6,485	692	5,411	1,351
EBIT-margin*, %	3.7%	23.0%	4.2%	16.8%	16.8%
ROCE* %	5.8%	34.3%	4.6%	41.0%	15.2%
Employees	3,900	18,500	8,200	13,300	4,100

*EBIT, EBIT-margin and ROCE excluding one-off items. Preliminary ROCE calculation, updated data to be provided 1st of March.
Sandvik Machining Solutions including Seco Tools.

2010	Sandvik Construction	Sandvik Machining Solutions	Sandvik Materials Technology	Sandvik Mining	Sandvik Venture
Invoicing, MSEK	8,023	24,457	15,703	27,160	7,275
EBIT, MSEK	571	4,850	1,233	4,094	850
EBIT-margin, %	7.1%	19.8%	7.9%	15.1%	11.7%
ROCE* %	10.2%	25.7%	9.0%	33.2%	9.2%
Employees	3,300	17,500	8,000	12,100	4,150

*Preliminary ROCE calculation, updated data to be provided 1st of March.
Sandvik Machining Solutions including Seco Tools.

Income statement

MSEK	Q4 2010		Q3 2011		Q4 2011	
Invoiced sales	23,276		23,528		25,104	
Cost of goods sold	-15,233		-15,991		-17,060	
Gross profit	8,043	35%	7,537	32%	8,044	32%
Admin, sales and R&D costs	-4,962	-21%	-5,939	-25%	-6,077	-24%
Other operating income and expenses	+48		+67		-318	
Operating profit (EBIT)	3,129	13%	1,665	7%	1,649	7%
Net financial items	-375		-555		-509	
Profit after financial items	2,754	12%	1,110	5%	1,140	4%
Profit for the period	2,186	9%	704	3%	803	3%

Bridge analysis

MSEK	Q4 2010	Price/ volume/ productivity	Currency	Structure, one-offs	Q4 2011
Sandvik Tooling					
Invoiced sales	6,255	+900	-50	0	7,104
EBIT	1,219	+425	-50	-150	1,441
EBIT margin	19.5%	+47%			20.3%
Sandvik Mining and Construction					
Invoiced sales	10,543	+1,300	-350	100	11,589
EBIT	1,503	+50	-70	-525	964
EBIT margin	14.3%	+4%			8.3%
Sandvik Materials Technology					
Invoiced sales	4,896	-100	-50	-200	4,556
EBIT	326	-100	-20	-1,050	-841
EBIT margin	6.7%	100%			-18.5%

Cash flow

MSEK	Q4 2010	Q3 2011	Q4 2011
Profit after financial items	+2,754	+1,110	+1,140
Depreciations, tax etc	+898	+1,912	+1,996
Cash flow from operations before NWC	+3,652	+3,022	+3,136
Change in inventories	-443	-1,096	-17
Change in receivables and liabilities	+221	+734	+282
Change in rental fleet*	-171	-46	-89
Cash flow from operating activities	+3,259	+2,614	+3,312
Acquisitions	-490	0	-73
Capex	-1,215	-1,248	-1,585
Other investments, net	-34	+61	-50
Cash flow after investing activities	+1,520	+1,427	+1,604
Net cash used in financing activities	-1,422	-798	+519
Cash flow for the period	+98	+629	+2,123

* Rental fleet included in operating activities as from 2010, historic data adjusted

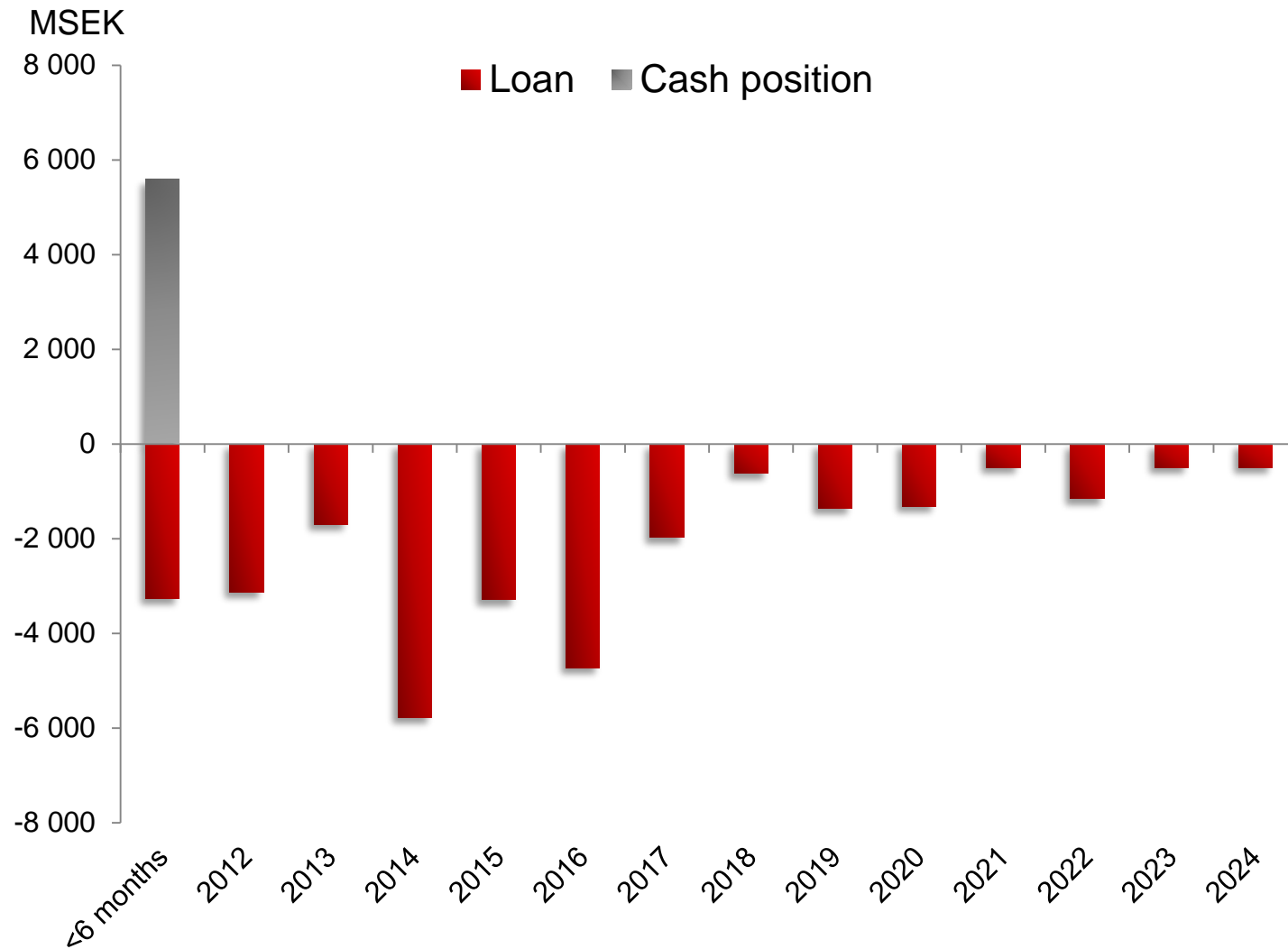
Balance sheet

MSEK	Q4 2010	Q3 2011	Q4 2011	vs Q4 2010
Intangible fixed assets	13,193	12,084	11,807	-11%
Tangible fixed assets	25,252	25,411	25,702	+2%
Financial fixed assets	6,023	6,171	6,835	+13%
Inventories	21,420	26,187	26,077	+22%
Receivables	19,328	22,909	21,979	+14%
Cash and cash equivalents	4,783	3,508	5,592	+17%
Assets held for sale	-	-	747	
Total assets	89,999	96,270	98,739	+10%
Total equity	33,813	33,830	33,891	+0%
Interest-bearing liabilities	29,467	32,513	33,073	+12%
Non-interest-bearing liabilities	26,719	29,927	31,667	+19%
Liabilities held for sale	-	-	108	
Total equity and liabilities	89,999	96,270	98,739	+10%

Loan and duration profile

		Amount MSEK	Average duration
Long term	81%		
US Private Placement		5,947	8 years
Fin institutions, EIB, NIB		2,963	3 years
Swedish MTN		8,629	6 years
European MTN		5,323	2 years
Bank loans		550	2 years
Share swap		1,353	4 years
Short term	19%		
Commercial paper		197	2 months
Swedish MTN		1,395	7 months
Bank loans		4,358	8 months
Total		30,714	4 years
Cash position		5,592	
Revolving Credit Facility		13,404	

Loan maturity profile



Financial key figures

	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Cash flow from operations, MSEK	3,259	1,036	802	2,614	3,312
Capex, MSEK	1,215	897	1,204	1,248	1,585
ROCE, 12 months	17.4%	19.8%	19.9%	18.6%	16.0%
ROE, 12 months	22.1%	24.5%	24.6%	21.7%	17.3%
Net debt/equity ratio	0.7	0.7	0.9	0.8	0.8
EPS, SEK 12 months	5.59	6.41	6.58	5.78	4.63

Guidance 2012

Metal price effects

Given currency rates, stock levels and metal prices at end of December, an EBIT effect of -100 MSEK is expected for Q1.

Net financial items

Net financial items is estimated to be about 2 bn SEK for 2012.

Currency effects

Given currency rates at year end the effect on EBIT would be about +100 MSEK for Q1.

Capex

Capex is estimated to be about 5-6 bn SEK for 2012.

Tax rate

The tax rate is estimated to about 26-28% for 2012.

Cautionary statement

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialisation and technological difficulties, supply disturbances, and the major customer credit losses.”