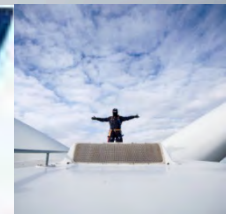


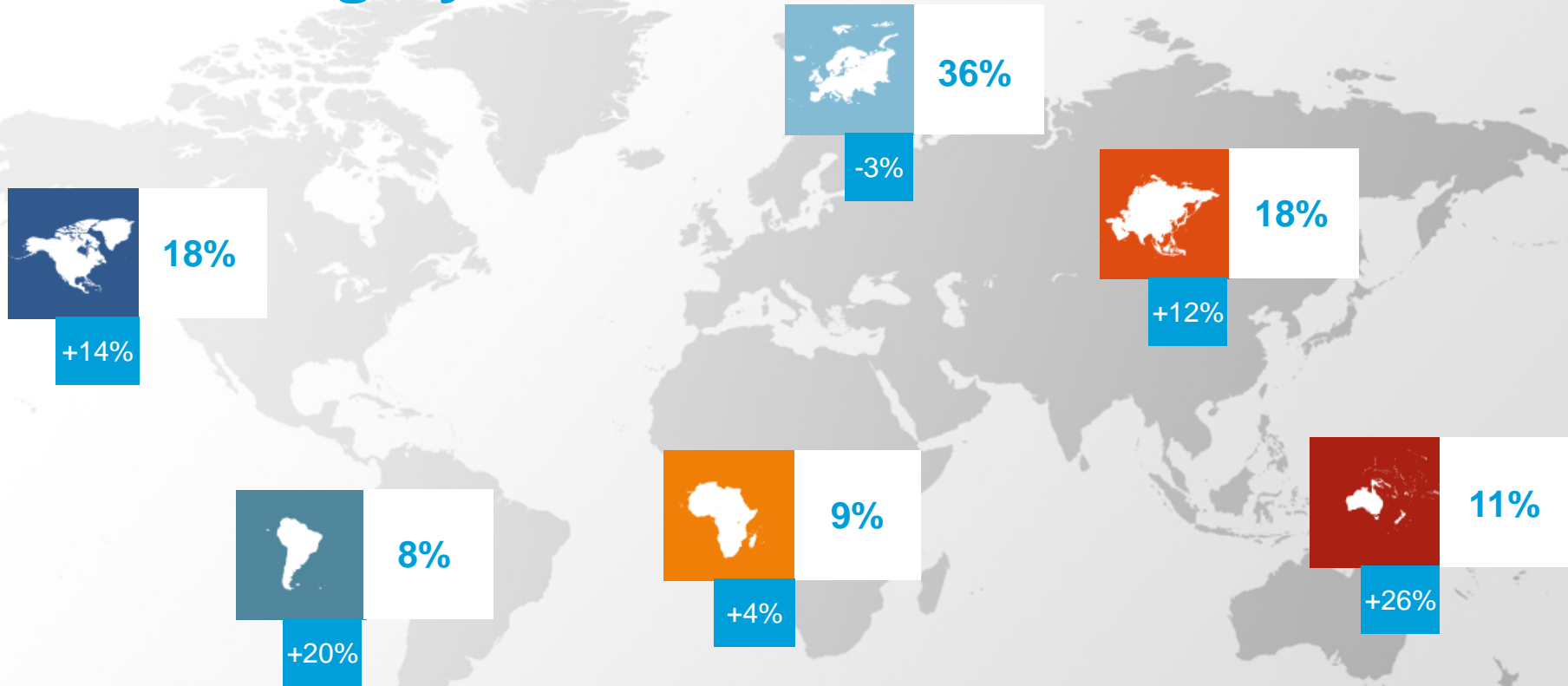
**Good progress
and strong
demand**



Quarterly highlights

- Strong but fragmented demand
 - Strong demand for Mining
 - Flat demand for Machining Solutions
 - Fragmented demand for Materials Technology, Construction and Venture
 - Increased uncertainty as the quarter progressed
- High invoicing in the quarter, 25,939 MSEK
- EBIT 4,212 MSEK
 - Increased profitability 16.2%
- ROCE annualized quarter result 24.2%
 - ROCE reported rolling 12 months 17.2%
- Implementation of the new strategy according to plan
 - Cost-savings ahead of plan

Invoicing by market



Share of Group total



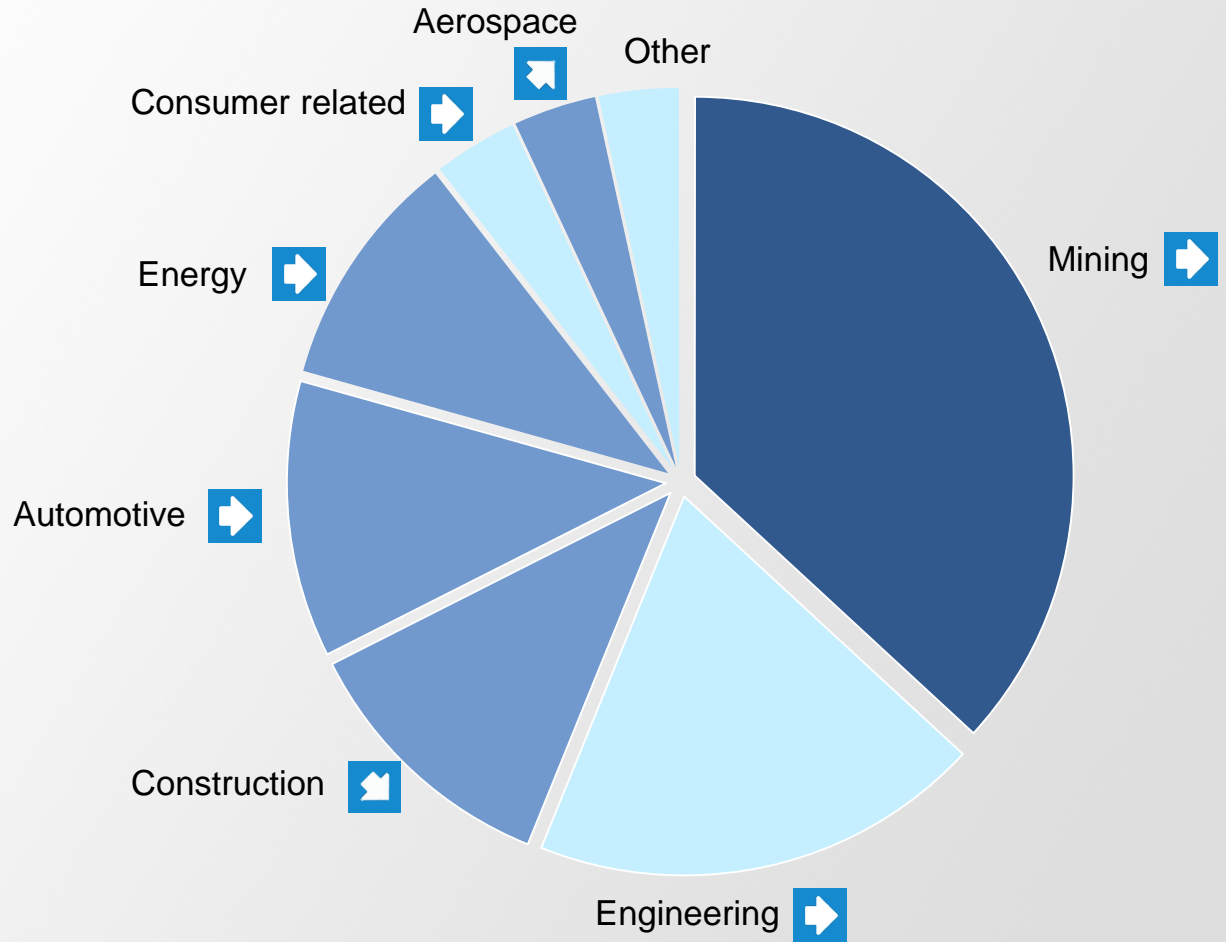
Invoicing (p/v) Q2 2012, change compared with Q2 2011

Customer segments

Invoicing vs. Q2 2011



➡ Compared to last quarter



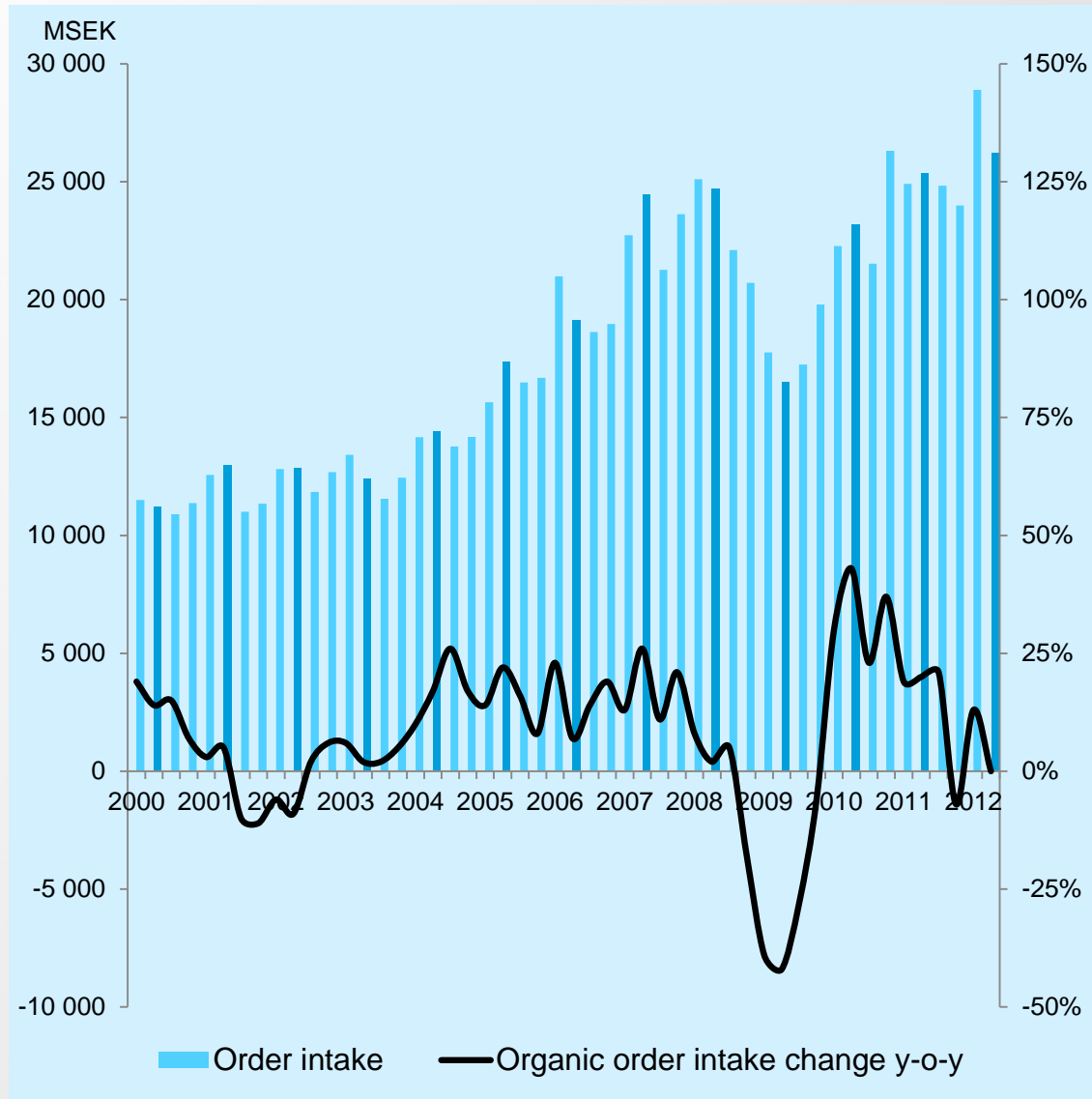
Pie chart representing share of invoicing 2011

Order intake

Order intake 26,190 MSEK

- Major mining systems orders
1.3 billion SEK

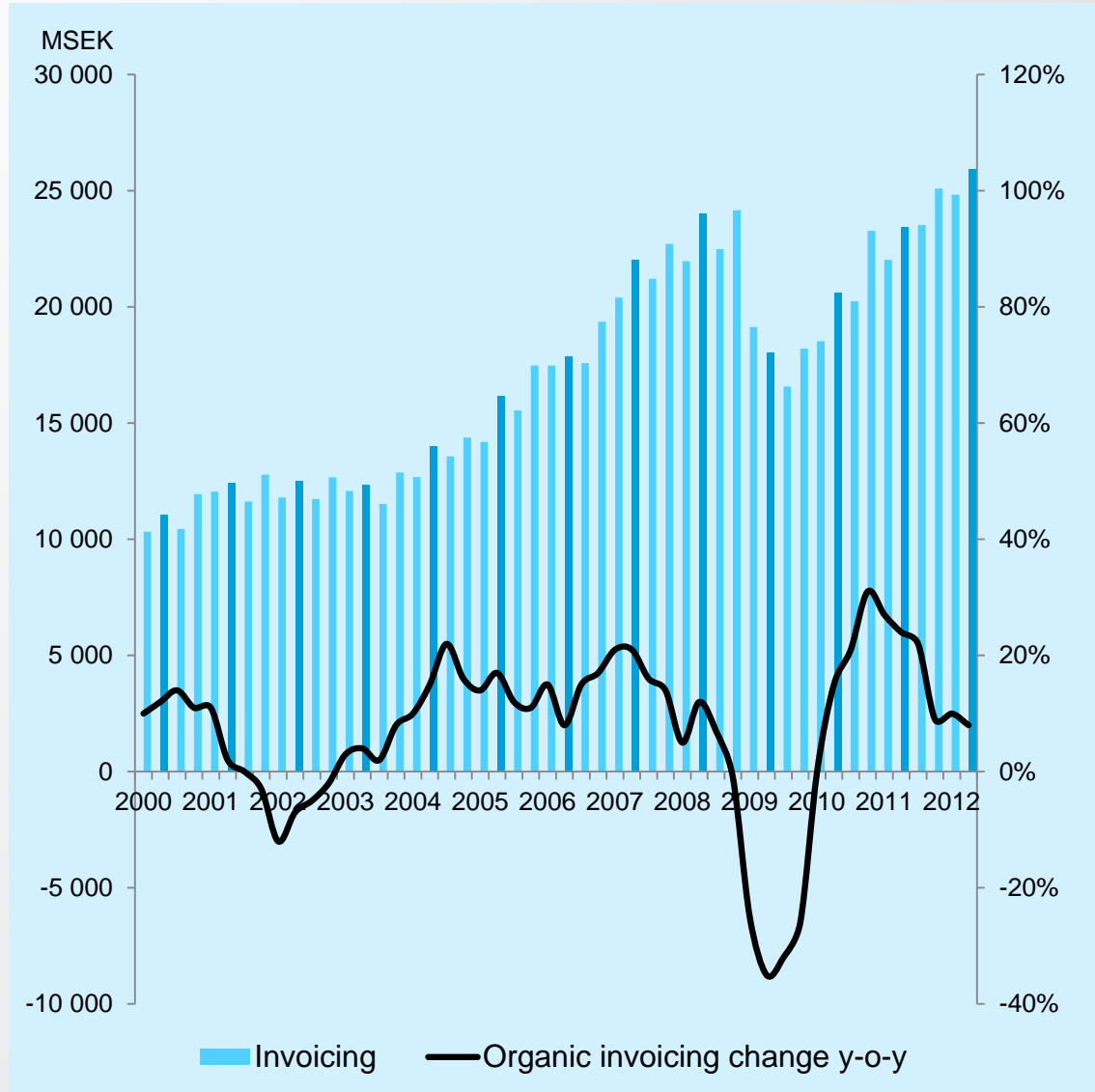
Change p/v 0%



Invoicing

Invoicing 25,939 MSEK

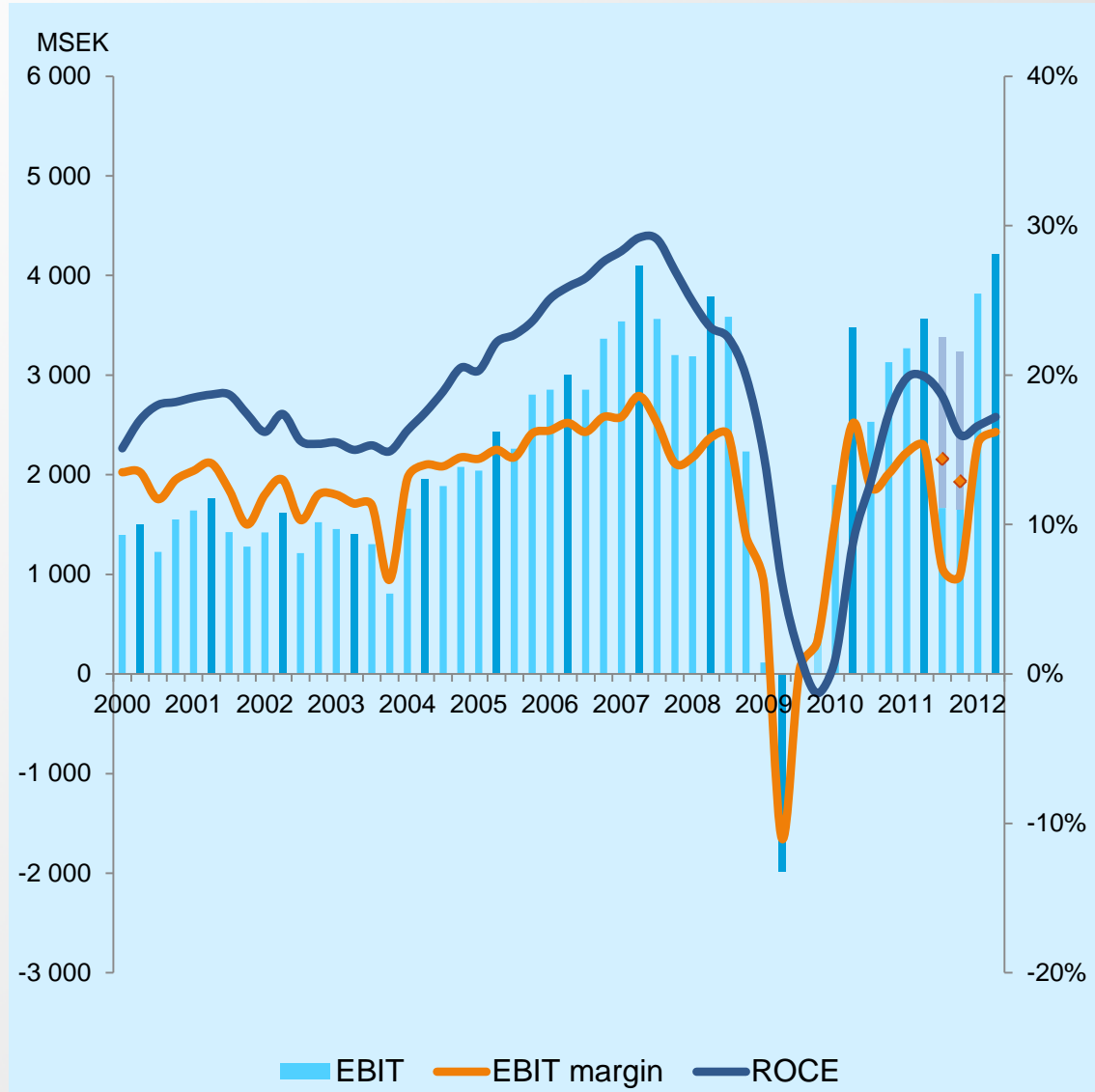
Change p/v +8%



EBIT and ROCE

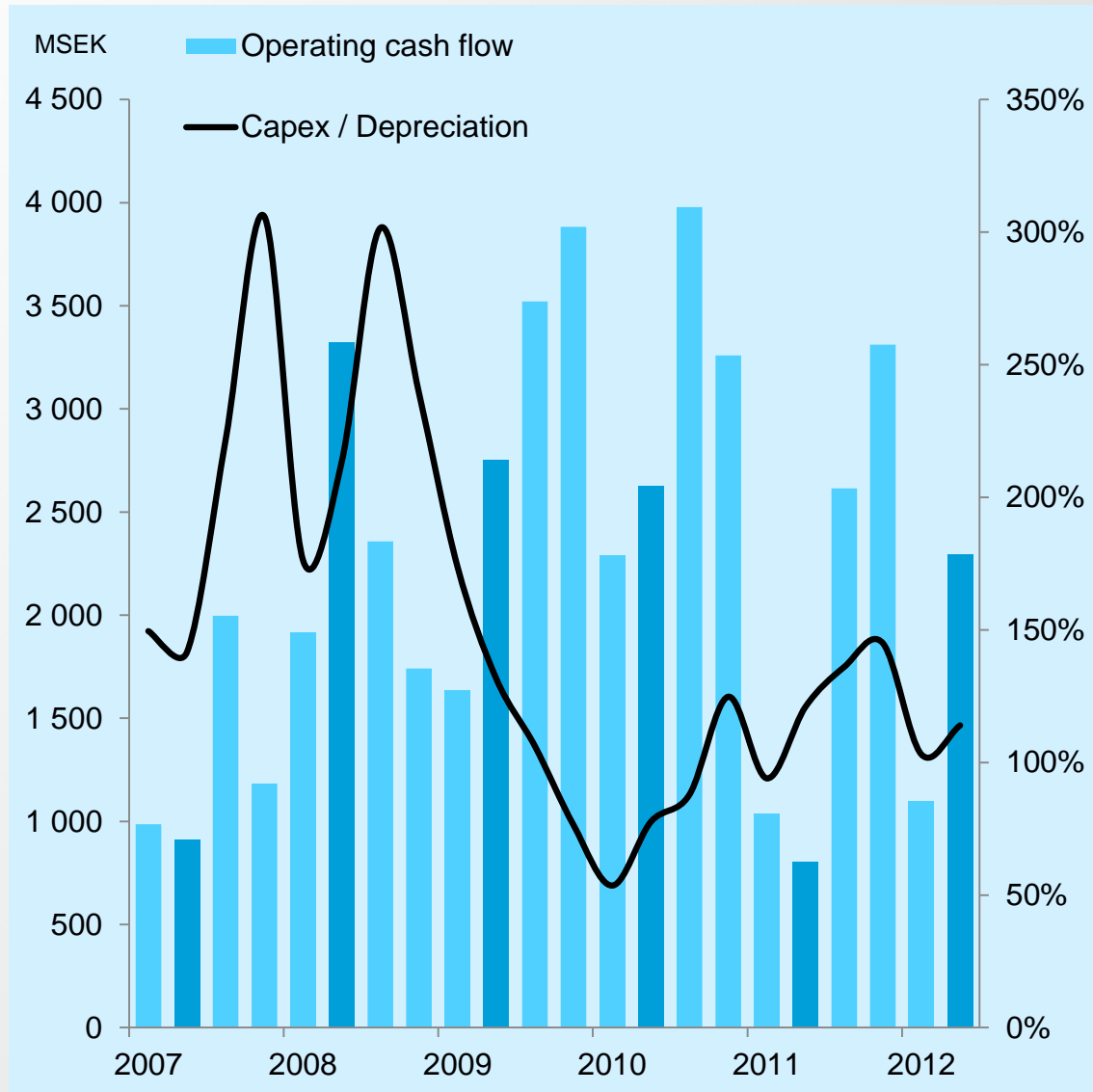
Q2 2012

- EBIT 4,212 MSEK
- EBIT margin 16.2%
- ROCE annualized quarter result 24.2%
- ROCE reported rolling 12 months 17.2%

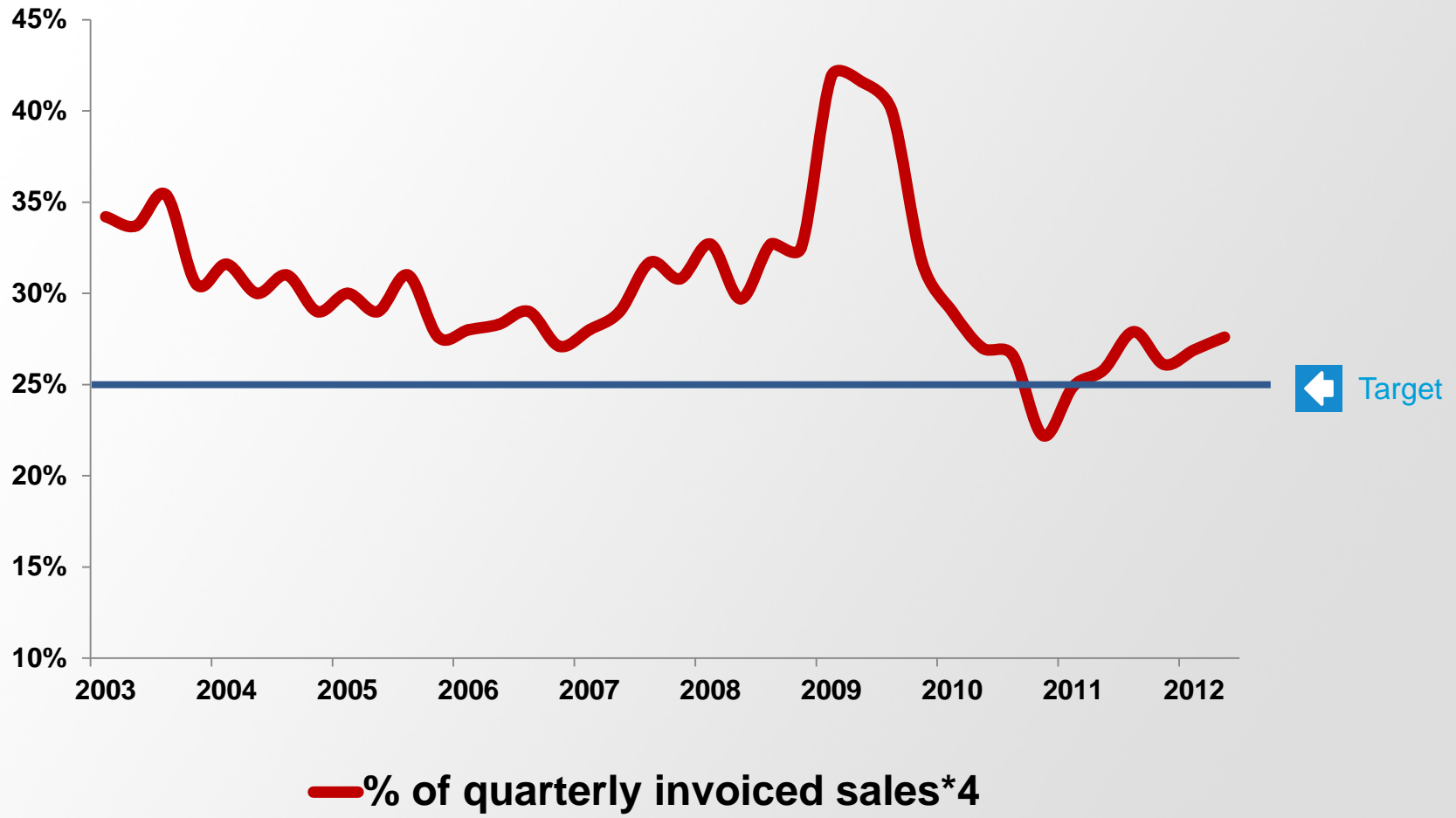


Cash flow

- Cash flow from operating activities 2,293 MSEK



Net Working Capital



Bridge analysis

MSEK	Q2 2011	Price/ volume/ Productivity	Currency	Structure, one-offs*	Q2 2012
Sandvik Group					
Invoiced sales	23,421	+2,050	+675	-225	25,939
EBIT	3,562	+725	+150	-225	4,212
EBIT margin	15.2%	+35%			16.2%

* Includes metal price effects

Sandvik Mining

- Continued strong demand
- Major mining systems orders 1.3 bn SEK
 - Coal handling order received in May to a value of 1.1 bn SEK
 - Materials handling order received in July to a value exceeding 900 MSEK
- Increased profitability
 - Record EBIT 1,800 MSEK (1,310)
 - Record EBIT margin 18.3% (17.3)
- ROCE annualized quarter result 44.8%
 - ROCE reported rolling 12 months 40.4%
 - Net working capital 27% (25) of invoicing

Continued strong demand in the mining industry



Sandvik Machining Solutions

- Demand on a high level
 - Strong in Aerospace
 - Continued strong in North America
 - Mixed demand in Asia
 - Flattening in Europe
- Stable profitability
 - EBIT 1,827 MSEK (1,744)
 - EBIT margin 24.6% (24.8)
- ROCE annualized quarter result 36.5%
 - ROCE reported rolling 12 months 34.5%
 - Net working capital 26% (24) of invoicing

Demand on a high level, but growth rates slowing



Sandvik Materials Technology

- Step Change turnaround program delivering according to plan
 - Cost savings ahead of plan
- Continued mixed demand
 - Stable demand in oil/gas
 - Weak for consumer related and standard products
- Increased profitability
 - EBIT 415 MSEK (351)
 - EBIT margin 9.9% (7.9)
 - Metal price effect -68 MSEK
- ROCE annualized quarter result 11.4%
 - ROCE reported rolling 12 months n.a
 - Net working capital 33% (31) of invoicing

Step Change turnaround program delivering according to plan



Sandvik Construction

- Continued successful turnaround
- Weakening demand trend during the quarter
 - Increased uncertainties in Europe
 - Mixed demand in Asia
- EBIT 222 MSEK (95)
 - EBIT margin 8.6% (4.2)
- Integration of Shanbao progressing well
- ROCE annualized quarter result 14.4%
 - ROCE reported rolling 12 months 4.5%
 - Net working capital 27% (31) of invoicing

Continued
successful
turnaround



Sandvik Venture

- Strong operational efficiency
- Improved profitability despite weakening demand
 - EBIT 341 MSEK (266)
 - EBIT margin 18.1% (12.9)
- ROCE annualized quarter result 17.9%
 - ROCE reported rolling 12 months 2.3%
 - Net working capital 40% (31) of invoicing

Strong operational efficiency



Summary Q2 2012

- High invoicing and improved profitability
- Implementation of the new strategy continued according to plan
- Stable demand on a high level
 - ...but increased uncertainty as the quarter progressed
- New EVP and Chief Financial Officer announced in May, Emil Nilsson

Q2

Q&A session

Q2

Back-up slides

Quarterly financials

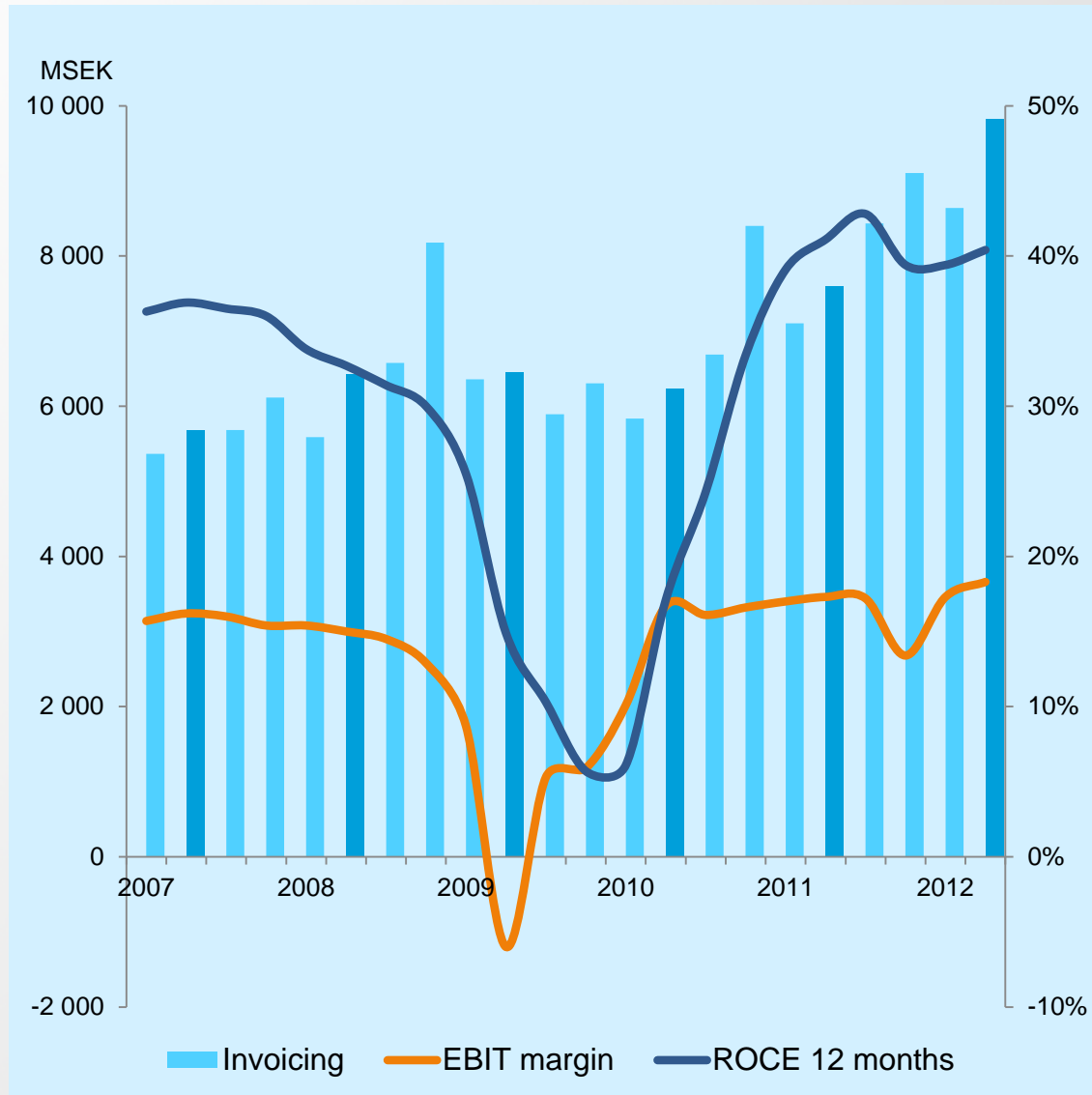
MSEK	Q2 2011	Q2 2012	VS Q2 2011
Order intake	25,361	26,190	+0%*
Invoicing	23,421	25,939	+8%*
EBIT	3,562	4,212	+18%
EBIT margin	15.2%	16.2%	-
Operating cash flow	+802	+2,293	+186%
Cash flow after investing activities	-360	+1,100	-

* Change in price/volume

Sandvik Mining

Q2 2012

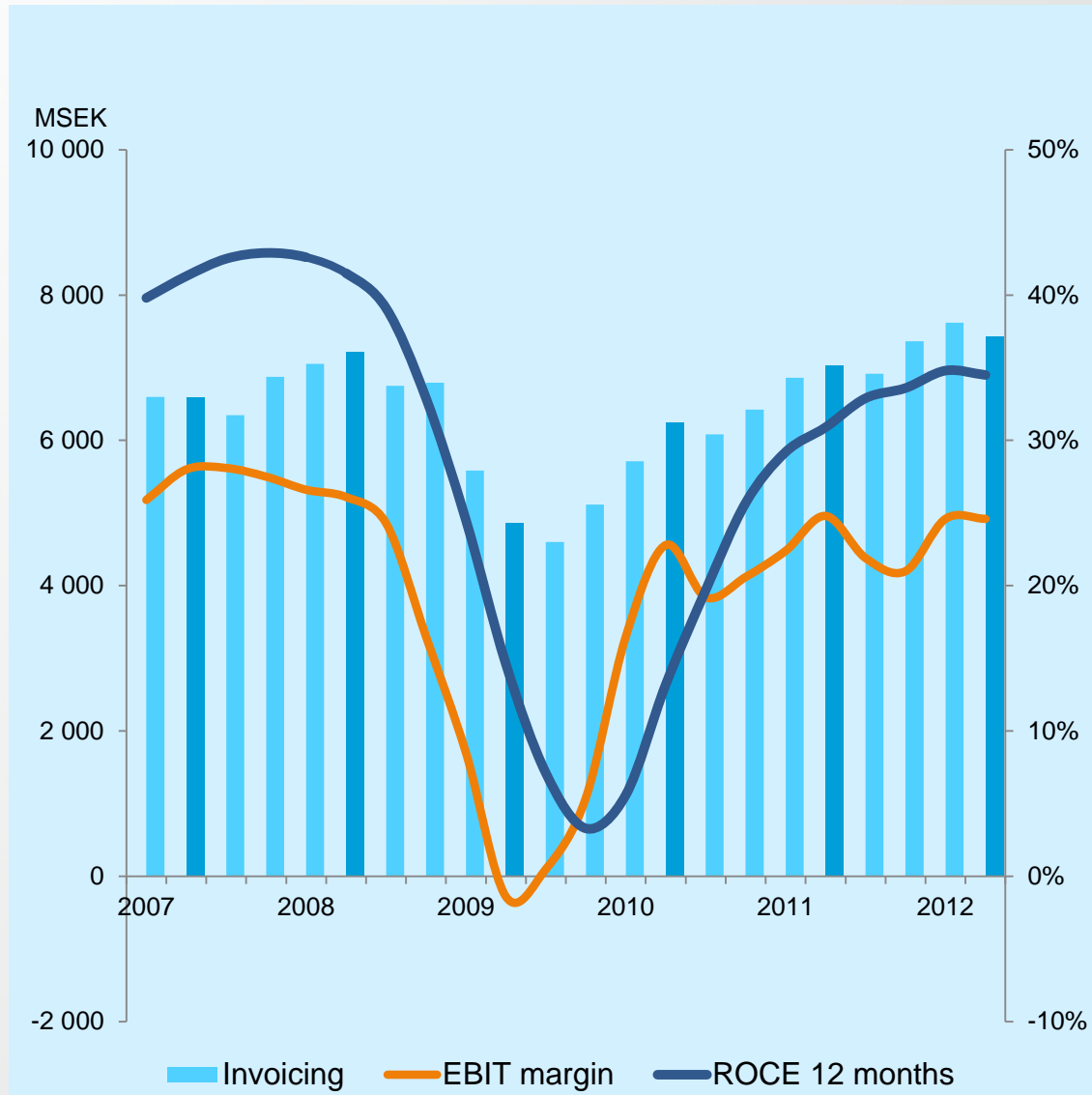
- Order intake 10,315 MSEK
- Invoicing 9,826 MSEK
- EBIT 1,800 MSEK
- ROCE 40.4%
- ROCE annualized quarter result 44.8%



Sandvik Machining Solutions

Q2 2012

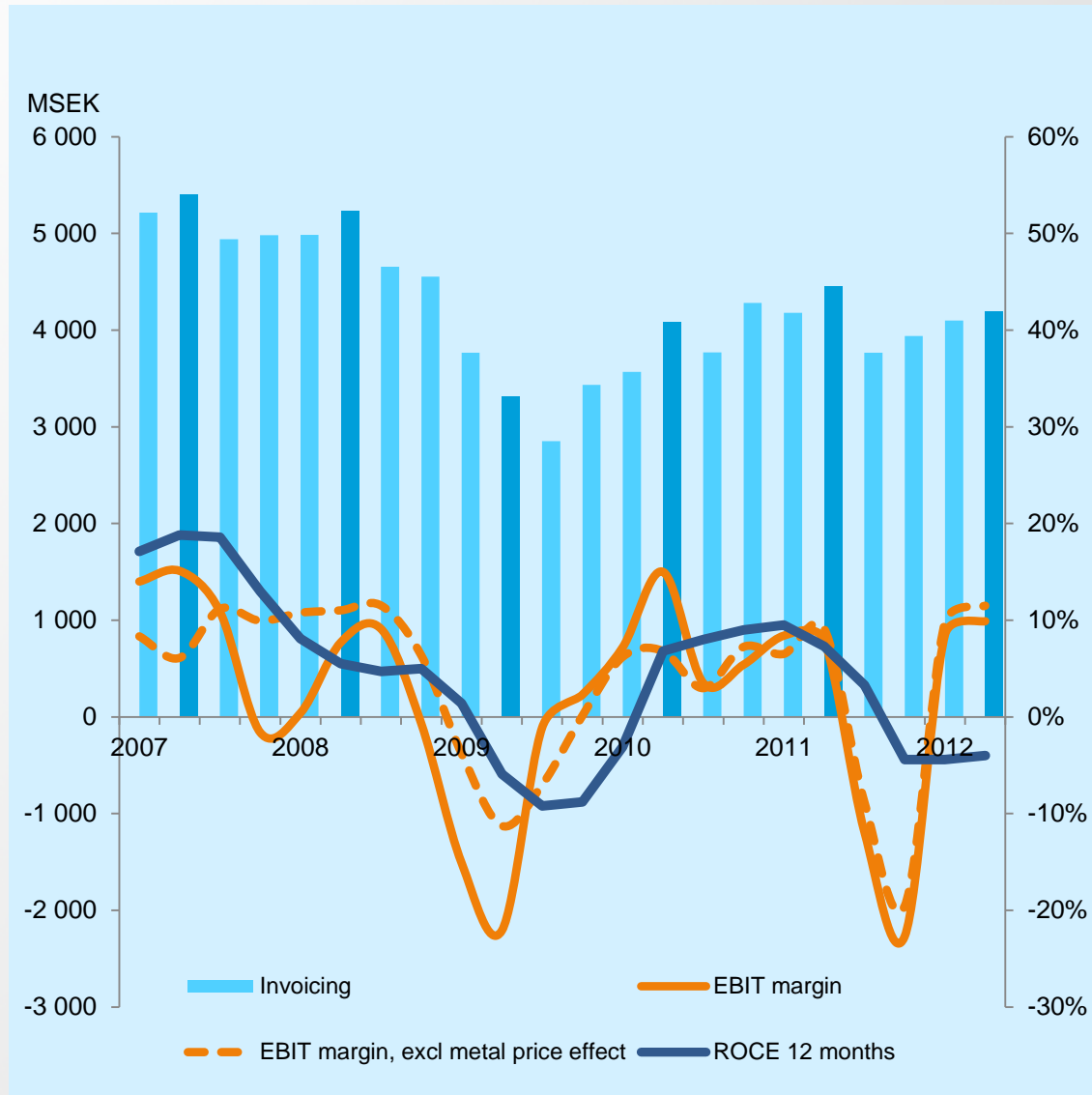
- Order intake 7,544 MSEK
- Invoicing 7,431 MSEK
- EBIT 1,827 MSEK
- ROCE 34.5%
- ROCE annualized quarter result 36.5%



Sandvik Materials Technology

Q2 2012

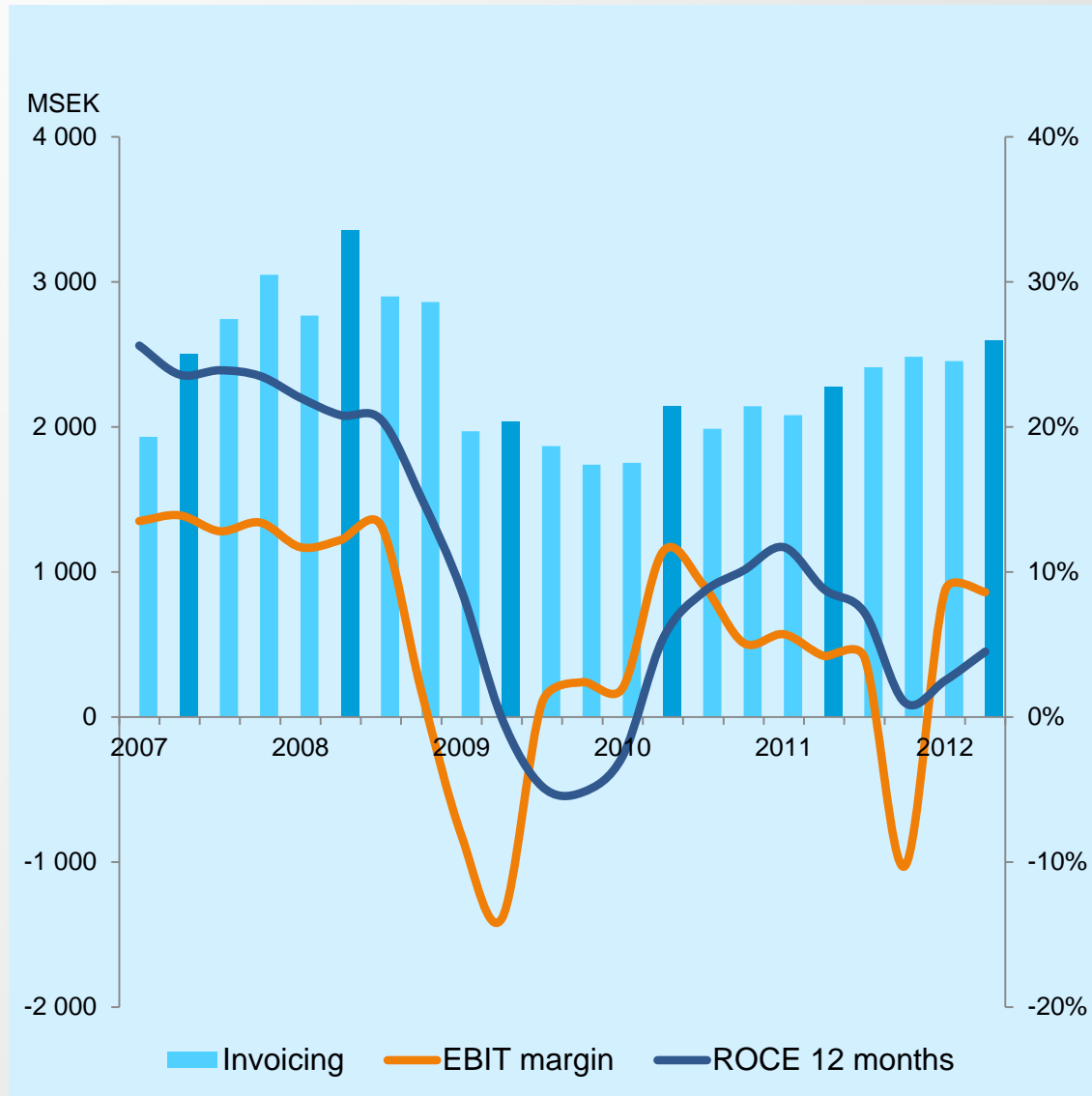
- Order intake 4,006 MSEK
- Invoicing 4,195 MSEK
- EBIT 415 MSEK
 - Adjusted for metal price effects, 482 MSEK, 11.5% of invoicing
- ROCE n.a
 - ROCE annualized quarter result 11.4%



Sandvik Construction

Q2 2012

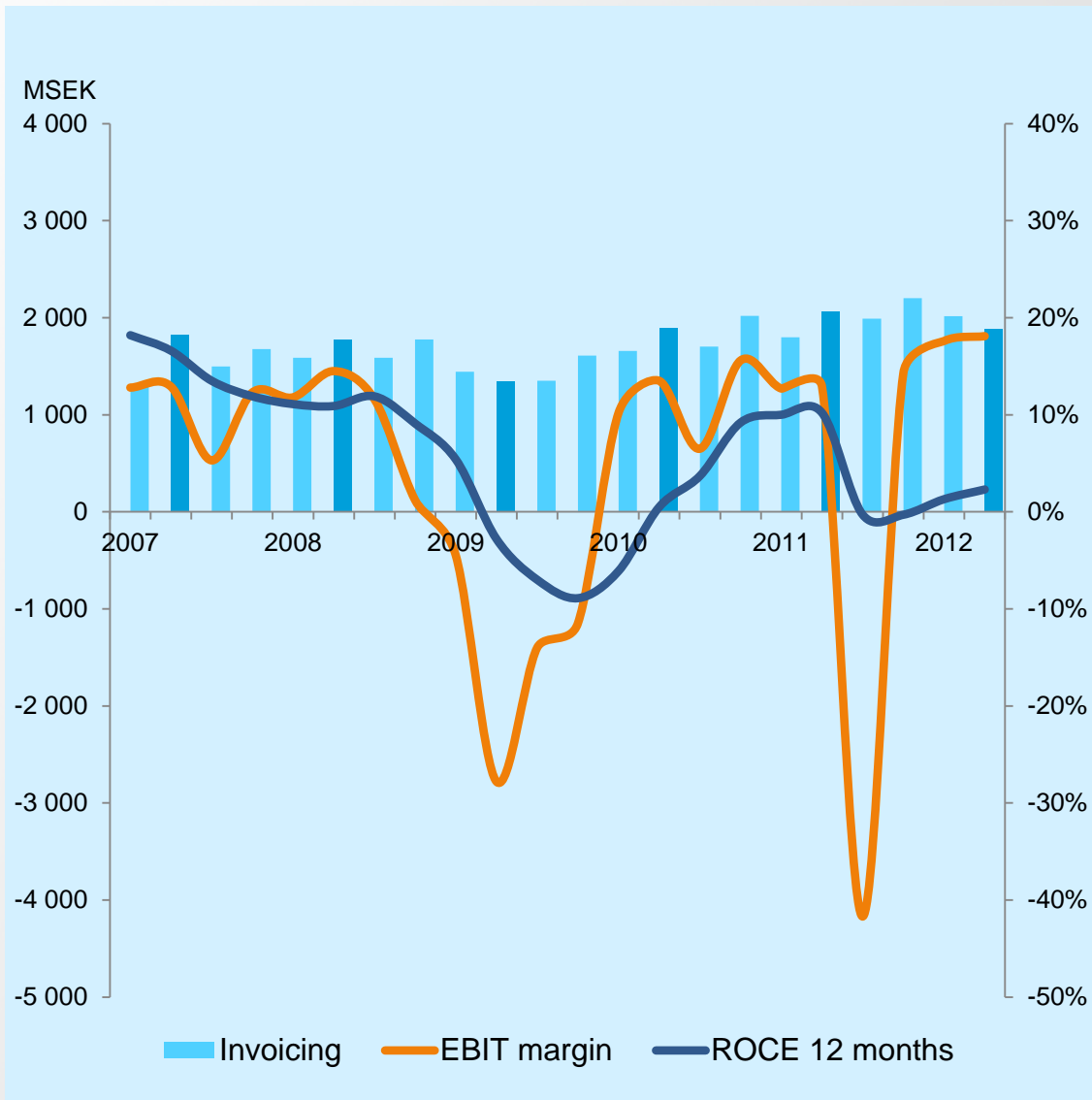
- Order intake 2,488 MSEK
- Invoicing 2,592 MSEK
- EBIT 222 MSEK
- ROCE 4.5%
 - ROCE annualized quarter result 14.4%



Sandvik Venture

Q2 2012

- Order intake 1,837 MSEK
- Invoicing 1,884 MSEK
- EBIT 341 MSEK
- ROCE 2.3%
 - ROCE annualized quarter result 17.9%



Income statement

MSEK	Q2 2011		Q1 2012		Q2 2012	
Invoiced sales	23,421		24,838		25,939	
Cost of goods sold	-14,915		-15,571		-16,466	
Gross profit	8,506	36%	9,267	37%	9,473	37%
Admin, sales and R&D costs	-5,026		-5,240		-5,236	
Other operating income and expenses	+82		-208		-25	
Operating profit (EBIT)	3,562	15%	3,819	15%	4,212	16%
Net financial items	-489		-448		-545	
Profit after financial items	3,073	13%	3,371	14%	3,667	14%
Profit for the period	2,228	10%	2,505	10%	2,773	11%

Bridge analysis

MSEK	Q2 2011	Price/ volume/ productivity	Currency	Structure, one-offs	Q2 2012
Sandvik Mining					
Invoiced sales	7,593	+2,000	+225	0	9,826
EBIT	1,310	+525	+50	-75	1,800
EBIT margin	17.3%	+26%			18.3%
Sandvik Machining Solutions					
Invoiced sales	7,028	+175	+225	0	7,431
EBIT	1,744	-25	+100	0	1,827
EBIT margin	24.8%	-14%			24.6%
Sandvik Materials Technology					
Invoiced sales	4,452	-125	+125	-250	4,195
EBIT	351	+75	+25	-50	415
EBIT margin	7.9%	n.a			9.9%

Bridge analysis

MSEK	Q2 2011	Price/ volume/ productivity	Currency	Structure, one-offs	Q2 2012
Sandvik Construction					
Invoiced sales	2,274	+100	+25	+175	2,592
EBIT	95	+125	-10	0	222
EBIT margin	4.2%	+125%			8.6%
Sandvik Venture					
Invoiced sales	2,065	-100	+75	-150	1,884
EBIT	266	+25	+20	+25	341
EBIT margin	12.9%	n.a			18.1%

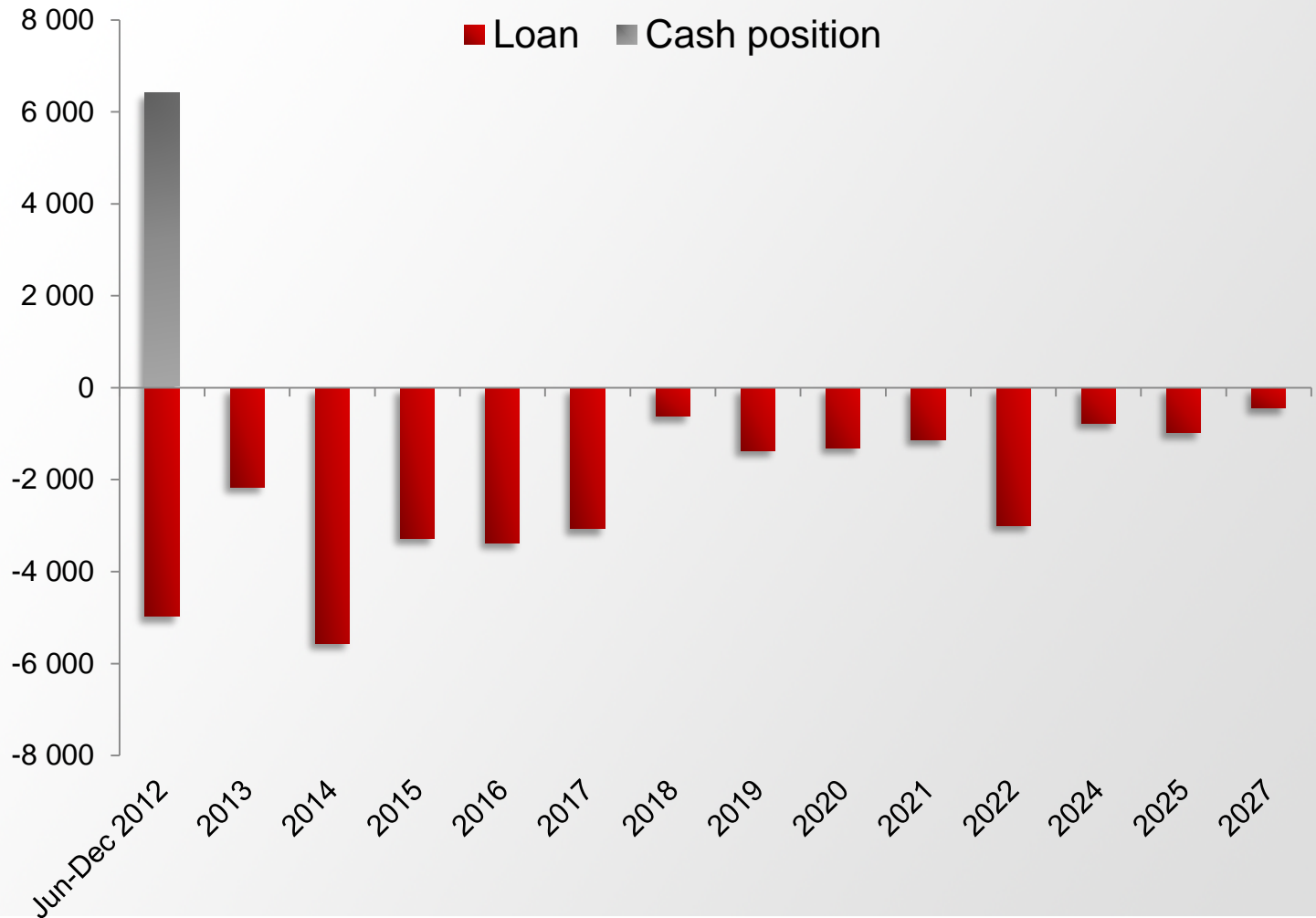
Balance sheet

MSEK	Q2 2011	Q1 2012	Q2 2012	vs Q2 2011
Intangible fixed assets	12,928	11,619	11,750	-9%
Tangible fixed assets	25,122	25,404	25,834	+3%
Financial fixed assets	6,062	6,504	6,458	+7%
Inventories	24,676	27,361	27,869	+13%
Receivables	21,869	23,981	24,428	+12%
Cash and cash equivalents	2,815	6,854	6,411	+128%
Total assets	93,472	101,723	102,750	+10%
Total equity	32,729	35,960	34,678	+6%
Interest-bearing liabilities	32,670	33,584	36,378	+11%
Non-interest-bearing liabilities	28,073	32,179	31,694	+13%
Total equity and liabilities	93,472	101,723	102,750	+10%

Loan and duration profile

	Amount MSEK	Average duration
Long term	80%	
US Private Placement	5,938	7 years
Fin institutions, EIB, NIB	2,963	3 years
Swedish MTN	8,102	6 years
European MTN	8,206	4 years
Bank loans	259	2 years
Share swap	1,552	4 years
Short term	20%	
Commercial paper	0	0 months
Swedish MTN	2,374	8 months
Bank loans	4,313	1 month
Total	33,708	4 years
Cash position	6,411	
Unutilized long-term credit facilities, 900 MEUR and 5 bn SEK		

Loan maturity profile



Financial key figures

	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Cash flow from operations, MSEK	802	2,614	3,312	1,099	2,293
Capex, MSEK	1,204	1,248	1,585	1,056	1,114
ROCE, 12 months	19.9%	18.6%	16.0%	16.6%	17.2%
ROE, 12 months	24.6%	21.7%	17.3%	18.2%	19.8%
Net debt/equity ratio	0.9	0.8	0.8	0.7	0.8
EPS, SEK 12 months	6.58	5.78	4.63	5.00	5.47

Guidance

Metal price effects

Given currency rates, stock levels and metal prices at end of June, a negative EBIT effect of around -25 MSEK is expected for Q3.

Net financial items

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

Currency effects

Given currency rates at quarter end the effect on EBIT would be about +100 MSEK for Q3.

Capex

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

Tax rate

The tax rate is estimated to about 25-27% 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.”