



SANDVIK AB - Report on the fourth quarter and full year 2002

- **Fourth quarter:**
 - **Invoicing, SEK 12,660 M, down 1% compared with year earlier**
 - **Profit: SEK 1,309 M (1,149) after financial items, 10% of invoicing**
- **Full year 2002:**
 - **Invoicing, SEK 48,700 M, unchanged level compared with year earlier**
 - **Profit: SEK 5,063 M (5,606) after financial items, 10% of invoicing**
- **Cash flow: SEK 7,190 M before investments, up 41% compared with year earlier**
- **Two strategic company acquisitions within Sandvik Tooling, Walter and Valenite**
- **Proposals to Annual General Meeting 5 May 2003**
 - **Dividend SEK 10.00, increase of 5%**
 - **Buy-back: 10% of shares. Current authorization 10%**

Key figures SEK M	Q4 2002	Q4 2001	Change %	Full-year 2002	Full-year 2001	Change %
Order intake	12 680	11 350	+12 ¹⁾	50 230	47 900	+5 ¹⁾
Invoiced sales	12 660	12 780	-1 ²⁾	48 700	48 900	0 ²⁾
Operating profit	1 523	1 278	+19 ³⁾	5 771	6 103	-5 ³⁾
%	12	10		12	12	
Profit after financial items	1 309	1 149	+14 ³⁾	5 063	5 606	-10 ³⁾
%	10	9		10	11	
Net profit	940	1 065	-12 ³⁾	3 436	3 688	-7 ³⁾
%	7	8		7	8	
Earnings per share, SEK				13.70	14.40	
Return on capital employed, %				15.4	17.4	

1) +12% and -1% at fixed exchange rates for comparable units.

2) -2% and -7% at fixed exchange rates for comparable units.

3) 2001: Including capital gain SEK +340 M and costs for restructuring program SEK -515 M in Q4.

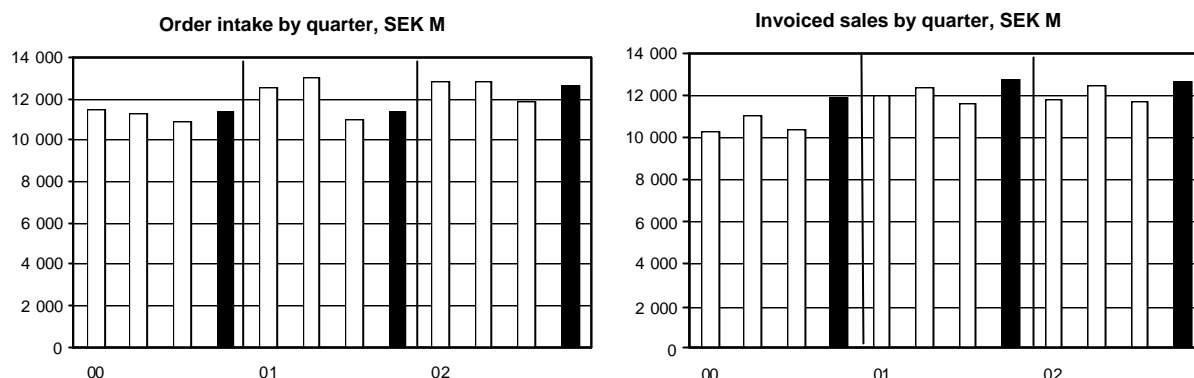
Effective 2003, the Sandvik Specialty Steels business area changed name to Sandvik Materials Technology.

Short term market outlook

The outlook presented in the preceding interim report remains valid:

No significant change in the demand situation is expected for Sandvik in the near future.

Sales (see appendix 2)



Order intake in the **fourth quarter** amounted to SEK 12,680 M (11,350), an increase of 12% at fixed exchange rates for comparable units. Order intake rose for all business areas. However, the trend was flat if certain major project orders are taken into account.

Order intake for the **full year 2002** amounted to SEK 50,230 M (47,900), an increase of 5% in total but a decline of 1% at fixed exchange rates for comparable units. Changes in currency rates affected order intake negatively by 3%, while acquisitions contributed positively by 9%.

Invoiced sales in the **fourth quarter** amounted to SEK 12,660 M (12,780), a total decline of 1%. At fixed exchange rates for comparable units, invoicing declined 2% compared with a year earlier. Acquisitions contributed positively by 9%. Changes in currency rates affected invoicing negatively by 7% for the quarter and 3% for the full year. Group invoicing for the **full year** was SEK 48,700 M (48,900), unchanged in total, but a decline of 7% at fixed exchange rates for comparable units. Invoicing declined in all business areas. Acquisitions contributed positively by 9%.

Acquisitions affected order intake and invoicing in the quarter by SEK 1,005 M and SEK 1,118 M, respectively. For the full year the effect was SEK 4,306 M and SEK 4,388 M, respectively.

Order intake – Development by market area

Market area	Fourth quarter 2002			Full-year 2002		
	Order intake SEK M	Change* %	Share %	Order intake SEK M	Change* %	Share %
EU	5 123	+3	40	20 122	-5	40
Rest of Europe	1 079	+47	9	3 875	+1	8
Europe total	6 202	+8	49	23 997	-5	48
NAFTA	3 022	+18	24	11 497	0	23
South America	534	+8	4	2 180	-2	4
Africa/Middle East	686	+28	5	2 653	+16	5
Asia/Australia	2 236	+9	18	9 903	+3	20
Total	12 680	+12	100	50 230	-1	100

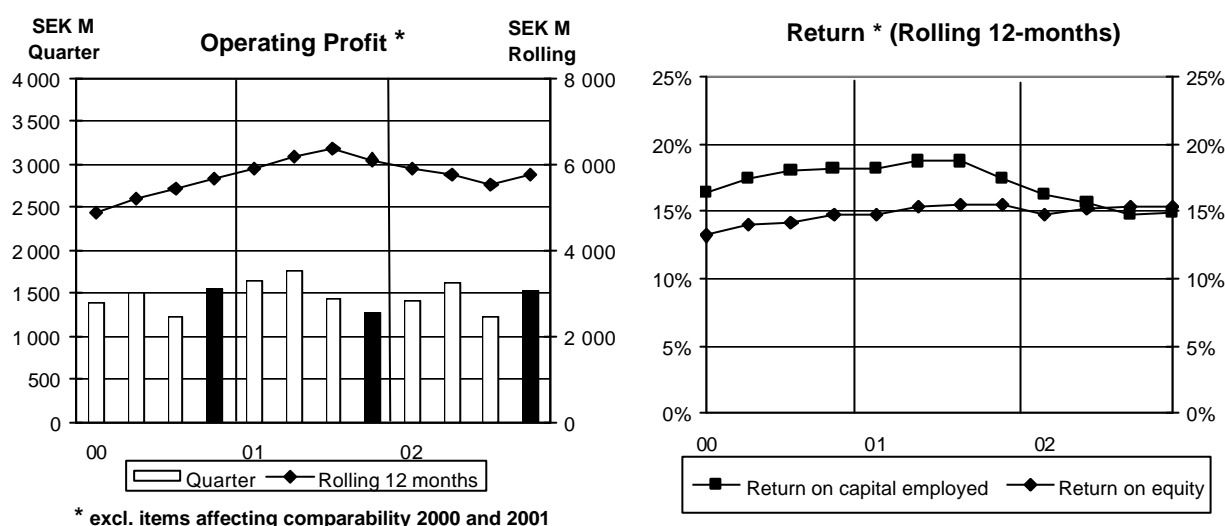
* Change from preceding year at fixed exchange rates for comparable units.

The increase in total for the Group in the **fourth quarter** should be viewed against the background of a number of project orders and that the year-earlier quarter was weak. A certain improvement was noted in the EU in the fourth quarter. Demand in the rest of Europe increased for Sandvik Mining and Construction. The increase in NAFTA was attributable to a large order for sorting equipment within Sandvik Materials Technology. The demand in NAFTA for Sandvik Tooling and Sandvik Mining and Construction was unchanged. Development continued to be positive in Africa/Middle East and Asia/Australia, particularly for Sandvik Mining and Construction.

With the exception of Africa/Middle East and Asia/Australia, the business climate was weak during the entire 2002, which mainly had a negative effect on demand within Sandvik Tooling and Sandvik Materials Technology. Order intake for Sandvik Mining and Construction developed positively during the year.

Demand varied within Sandvik's customer segments. In the **fourth quarter**, demand weakened further from the general engineering industry, particularly within the EU. However, NAFTA stabilized. Activity in the mining and oil/gas industries was favorable, but there were signs of a future weaker investment climate. Demand from the automotive industry was unchanged in the EU and NAFTA. Sales to the electronics industry were low, as previously, with no signs of an upturn.

Earnings, cash flow and return (see appendix 1)



Operating profit in the **fourth quarter** amounted to SEK 1,523 M (1,278 in preceding year including net nonrecurring negative items of SEK 175 M), 12% of invoicing. Changes in currency rates had a negative effect of SEK 165 M. The earnings improvement is due mainly to the effects of the implemented restructuring programs.

Operating profit for the **full year** amounted to SEK 5,771 M (6,103), 12% of invoicing. Changes in currency rates had a marginal negative effect on full-year earnings. The new accounting principle applied during the year for capitalization of certain development costs affected earnings positively by about SEK 185 M for the full year and SEK 80 M for the fourth quarter.

The decline in earnings compared with a year earlier was attributable to lower sales and production volumes. The margin was also affected negatively by the lower than average earnings for the companies acquired during the year. Implemented and ongoing restructuring measures had a positive effect but could not fully offset the volume declines in Sandvik Tooling and Sandvik

Materials Technology. Sandvik Mining and Construction's earnings rose again in 2002 to the highest figure since the business area was established.

Net financial expense for the full year was SEK 708 M (expense: 497) and profit after net financial items amounted to SEK 5,063 M (5,606), 10% of invoicing. The tax rate was 28% (31). Also during the fourth quarter the tax rate was affected positively by deductible losses related to changes in the organization.

Net profit for the year was SEK 3,436 M (3,688) and SEK 940 M (1,065) in the fourth quarter. Earnings per share were SEK 13.70 (14.40) and after dilution SEK 13.50 (14.30).

The return on capital employed amounted to 15.4% (17.4) and the return on equity was 14.9% (15.5). Equity per share amounted to SEK 92.80 SEK (95.50). Net debt/equity ratio was 0.5 (0.4) and the equity/assets ratio 48% (50).

Key figures	Full-year 2002	Full-year 2001
No. of shares at end of period ('000)	250 012	251 025
Earnings per share, SEK*	13.70	14.40
After full dilution**	13.50	14.30
Return on capital employed, %	15.4	17.4
Return on shareholders' equity, %	14.9	15.5
Net debt/equity ratio	0.5	0.4

* Most recent 12 months divided by the average number of outstanding shares, 250,512,000 (256,414,000).

** Average no. of shares, after addition of shares resulting from full conversions and exercise of warrants, amounts to 255,418,000 (261,335,000).

The Group reported a continued strong cash flow from operations, amounting to SEK 1,791 M (1,579) in the **fourth quarter** and SEK 7,190 M (5,093) for the **full year**. The improvement in the fourth quarter was attributable primarily to the underlying earnings improvement while the improvement for the full year was attributable to a reduction of working capital.

The Group's investments in fixed assets for the full year amounted to SEK 2,357 M (2,627). In addition, companies were acquired for an amount of SEK 2,709 M. After investments, acquisitions and divestments, cash flow for the full year was SEK 2,482 M.

The Group's expenses in 2002 for research, development and quality assurance were SEK 1,853 M (1,787), corresponding to 3.8% (3.7) of invoicing.

The number of employees amounted to 37,388, an increase of 12 persons for comparable units in the **fourth quarter**, including about 230 service-related personnel within Sandvik Mining and Construction. From the beginning of the year, the decline for comparable units was about 840 persons.

Parent company

The invoiced sales of the Parent Company amounted to SEK 11,935 M (12,270), operating profit was SEK 1,428 M (1,340). Liquid funds plus interest-bearing assets less interest-bearing liabilities amounted to SEK 693 M (-1,086 at 31 December 2001). The number of employees at the Parent Company was 6,756 (7,090) at year-end. Investments in fixed assets amounted to SEK 883 M for the full year (647).

Business areas (see appendix 2)

Sandvik Tooling

	Q4	Q4	Change		Full-	Full-	Change
SEK M	2002	2001	%		year	year	%
					2002	2001	
Order intake	4 618	3 888	+3 *		17 904	16 355	-3 *
Invoiced sales	4 757	4 053	0 *		17 840	16 561	-5 *
Operating profit	695	459	+51		2 711	2 964	-9
%	15	11			15	18	
Adj. Operating profit, %	19	16	**		18	19	**

* At fixed exchange rates for comparable units.

** For 2001, operating profit for Q4 and full year is adjusted for restructuring SEK -515 M and capital gains SEK +340 M. Adjusted for these items, the result in the Q4 was SEK 634 M and SEK 3,139 M for the full year.

For Q4 and the full year 2002 the invoicing of Walter and Valenite has been excluded, as well as the earnings effect of these acquisitions.

Sandvik Tooling's order intake in the **fourth quarter** amounted to SEK 4,618 M (3,888), an increase of 3% compared with a year earlier at fixed exchange rates for comparable units. Order intake for tools in cemented carbide was positive but remained negative for high-speed steel tools and for cemented-carbide blanks. As previously, lower demand was noted in most countries in the EU. Sales in NAFTA stabilized. Demand in Eastern Europe and Asia/Australia remained favorable.

Invoicing was unchanged at fixed exchange rates for comparable units and amounted to SEK 4,757 M (4,053).

Operating profit in the fourth quarter amounted to SEK 695 M (459 in preceding year, but 634 adjusted for non-recurring items), or 15% of invoicing. Acquisitions affected invoicing by SEK 1,071 M and reduced earnings by SEK 8 M. Excluding acquisitions, the operating margin was 19%. Earnings for comparable units rose 10% compared with a year earlier, despite the negative effect of changes in currency rates. The improvement was due mainly to the effects of the restructuring measures and higher production rate.

Order intake for the **full year** amounted to SEK 17,904 M (16,355). Invoicing was SEK 17,840 M (16,561), down 5% at fixed exchange rates for comparable units. The business climate for metalworking tools was weak during the whole year, particularly for tools in high-speed steel and cemented-carbide blanks. Despite the difficult business situation, the business area increased its market shares, primarily through the successful introduction of new products. The newly acquired companies Walter and Valenite accounted for SEK 2,632 M of order intake and SEK 2,721 M of invoicing.

Operating profit was SEK 2,711 M (2,964), 15% of invoicing. It was affected negatively by lower sales and production volumes. Acquisitions affected earnings positively by SEK 47 M. Excluding acquisitions the operating margin was 18%. Measures were carried out during the year to improve the structure, which resulted in a reduction of production and warehousing units. The number of employees was 15,029 at year-end 2002, a decline of 990 for comparable units, of which 170 in the fourth quarter. The actions taken result in cost savings on an annual basis of about SEK 500 M, with full effect successively during 2003. Return on capital employed amounted to 19% (22).

Sandvik Mining and Construction

	Q4	Q4	Change		Full-	Full-	Change
SEK M	2002	2001	%		year	year	%
	2002	2001	%		2002	2001	%
Order intake	3 526	3 273	+19 *		14 833	13 407	+5 *
Invoiced sales	3 387	3 849	-4 *		13 842	13 501	-4 *
Operating profit	397	346	+15		1 477	1 348	+10
%	12	9			11	10	

* At fixed exchange rates for comparable units.

Sandvik Mining and Construction's order intake in the **fourth quarter** amounted to SEK 3,526 M (3,273), which was an increase of 19% at fixed exchange rates for comparable units. Order intake was affected positively by several large orders. Demand from the mining industry continued to be favorable but some uncertainty was noted regarding the future level of investment in heavy machinery. The activity in the energy field, particularly coal mining, slowed further. Demand in the construction industry was stable at a low level in Europe and NAFTA, but favorable in certain parts of Asia.

Invoicing amounted to SEK 3,387 M (3,849), a decline of 4% at fixed exchange rates for comparable units. The invoicing level remained high and the comparison is against a strong fourth quarter a year earlier.

Operating profit in the fourth quarter amounted to SEK 397 M (346), or 12% of invoicing, an increase of 15%. The earnings improvement was due mainly to a positive product mix, high capacity utilization in many areas of operations and lower costs.

It was decided in the fourth quarter to close the operations in Bluefield, West Virginia in the US, which mainly produces equipment for continuous coal mining. The closure affects about 150 persons.

The acquisition of Mazda Earth Technologies is included in order intake and invoicing in the amount of SEK 16 M.

Order intake for the **full year** amounted to SEK 14,833 M (13,407), an increase of 5% at fixed exchange rates for comparable units. Invoicing was SEK 13,842 M (13,501), a decline of 4% at fixed exchange rates for comparable units. Acquisitions contributed positively by 12%. Operating profit rose 10% compared with a year earlier and was SEK 1,477 M, or 11% of invoicing. Return on capital employed amounted to 18% (18). The business area's favorable development is the result of a successful sales and service organization, new products and continued efficiency improvements in the production structure.

The number of employees was 8,628, an increase of 560 from the beginning of the year for comparable units. The increase is attributable to the expansion of the service organization.

Sandvik Materials Technology (earlier Sandvik Specialty Steels)

	Q4	Q4	Change		Full-	Full-	Change
SEK M	2002	2001	%		year	year	%
	2002	2001	%		2002	2001	%
Order intake	3 542	3 151	+21 *		13 414	13 843	-1 *
Invoiced sales	3 518	3 817	-1 *		12 970	14 528	-8 *
Operating profit	342	328	+4		1 182	1 281	-8
%	10	9			9	9	

* At fixed exchange rates for comparable units.

Sandvik Material Technology's order intake in the **fourth quarter** amounted to SEK 3,542 M (3,151), an increase of 21% from the preceding year at fixed exchange rates for comparable units. An order was received during the quarter valued at SEK 350 M for sorting equipment in the US. The market situation in the EU remained weak and softened in NAFTA. Demand in the electronics industry showed no signs of an upturn, which affected parts of the business area, particularly Kanthal. Lower demand for special products to the oil/gas industry and certain standard products to the engineering industry will affect the business area's capacity utilization at the beginning of 2003.

Invoicing amounted to SEK 3,518 M (3,817), a decline of 1% at fixed exchange rates for comparable units.

Operating profit in the fourth quarter amounted to SEK 342 M (328), or 10% of invoiced sales. Higher market prices for nickel affected earnings positively in an amount of about SEK 50 M. Consequently, earnings excluding this item was lower, which was the result of the negative effects of changed currency rates.

During the fourth quarter, negotiations were concluded to reduce the number of salaried employees at the main facility in Sandviken, Sweden, which will result in a decline of 138 persons in 2003.

Order intake for the **full year** amounted to SEK 13,414 M (13,843), a decline of 1% at fixed exchange rates for comparable units. Invoicing was SEK 12,970 M (14,528) down 8% at fixed exchange rates for comparable units. Demand was good during most of the year for project-related special products in the product area tube and consumer-related strip products. Operating profit declined 8% to SEK 1,182 M, or 9% of invoicing. Return on capital employed amounted to 10% (12).

The number of employees was 8,282, a decline of 280 for comparable units from the beginning of the year. The decline in the **fourth quarter** was 75 persons for comparable units.

Accounting principles

This report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20. As of 2002, an additional number of recommendations from the Swedish Financial Accounting Standards Council became effective, of which only RR15 Intangible Assets has had any effect on earnings for the year.

As of 2003, Sandvik applies the Swedish Financial Accounting Standards Council's recommendation RR29 Employee Benefits in consolidated accounting. The rules are based on IAS 19. Pensions and other post-retirement benefits have previously been reported in accordance with local rules in each country. The transition to RR29 results in an increase in the Group's pension liabilities of about SEK 1,600 M.

After deduction for deferred taxes, the consolidated shareholders' equity is reduced by SEK 1,050 M. The change is made at 1 January 2003 and does not affect earnings and cash flow. The change does not alter the Sandvik Group's obligations to its employees.

Buy-back of shares

At 31 December 2002, Sandvik's holding of own shares (treasury stock) totaled 8,697,000 corresponding to 3.4% of the total number of shares (258,709,350) and the amount paid was SEK 1,889 M. In accordance with the decision at the Annual General Meeting in May 2002, Sandvik is authorized to repurchase 10% of the total number of shares in the company. The authorization is valid for the period up to the Annual General Meeting on 5 May 2003.

Other

- During the fourth quarter, it was decided to change the name of Sandvik Specialty Steels as of 1 January 2003 to Sandvik Materials Technology. The new president of the business area is Peter Gossas, formerly president of Sandvik Steel. The name change highlights the business area's focus on high-value-added products and concentration on materials technology.
- In December, Sandvik announced an agreement with the Swedish Red Cross covering global cooperation for three years. The agreement comprises the purchase of training services.
- Standard and Poor's confirmed in January 2003 that Sandvik retains its A+ credit rating for long-term borrowing and A-1 for short-term borrowing. The credit rating reflects Sandvik's strong position and the good cash flow from operations. Sandvik has retained these ratings since S&P began analysis of the company in 1997.

Structural changes 2002

- An agreement was reached in February with the principal owners of German Walter AG to complete the acquisition which was initiated during 2001. This meant that Sandvik has consolidated the Walter Group as of 25 February. During the third quarter, Sandvik decided to make a public offer to the other shareholders in Walter AG for the acquisition of all shares outstanding at a price of EUR 32.50 (SEK 302) per share. The total value of the offer was about EUR 29.3 M, of which EUR 21.0 M had been accepted at the end of December. At 31 December Sandvik's ownership interest was 94% of the shares outstanding. Walter AG's operations include tools for metalworking, software systems for tool-management and numerically controlled grinding machines. Sales amounted to approximately SEK 2,700 M. Goodwill has preliminarily been estimated to SEK 810 M. The company has about 2,000 employees and its head office is located in Tübingen, Germany.
- In August, Sandvik acquired the North American tool company Valenite from Milacron Inc., in the US. The company, with approximately 1,300 employees, has its head office in Madison Heights, Michigan, US, and production units in South Carolina, Michigan and Texas. Sales in 2002 amounted to about SEK 1,850 M. The purchase price was SEK 1,645 M and goodwill is estimated preliminarily to SEK 855 M.
- In November, Sandvik Mining and Construction acquired Mazda Earth Technologies' operations in Japan. Mazda Earth Technologies is a leading manufacturer of machinery and equipment for the Japanese mining and construction industry. The operations being acquired have annual sales of

about SEK 500 M and include the Toyo brand, development and production rights as well as a sales and service organization with about 30 employees.

- In the first quarter, Sandvik's interest in the associated company Avesta Sandvik Tube AB was reduced from 25% to 17%. The reduction was effected through the principal owner, AvestaPolarit, making a non-cash takeover of the Finnish tube manufacturer Oy Ja-Ro Ab and thereby increasing its number of shares in the company. At the same time, the company's name was changed to AvestaPolarit Stainless Tube AB.

Other structural changes

- In May, Sandvik Materials Technology announced the decision to close the production of stainless-steel spring wire at the Gusab Stainless AB subsidiary in Mjölby, Sweden, which has about 110 employees. The closing is expected to be completed during 2003 and production of spring wire is being transferred to other units in the wire operations. The closure is part of the previously announced program of change intended to increase efficiency and align production capacity within Sandvik Materials Technology.
- Sandvik Tooling decided in May to close production of cemented-carbide seal rings and wear parts in Espergaerde, Denmark, and transfer most of the production to the unit in Barcelona, Spain. The action affects slightly more than 100 employees and is expected to be completed in the beginning of 2003. The closure is part of Sandvik Tooling's program of change.
- During the third quarter, a consolidation of operations in Precision Twist Drill in the US was carried out by Sandvik Tooling. One of the major actions was the transfer of the production in Rhinelander, Wisconsin, to Crystal Lake, Illinois, which resulted in a reduction of about 250 employees.
- Sandvik Materials Technology decided in the third quarter to intensify the ongoing program of change through a review of the organizational structure at the main facilities in Sandviken. The aim is to improve the profitability through reduced costs, enhanced efficiency and increased flexibility. As a result of this action, the number of salaried employees in Sandviken will be reduced by 138 positions in the beginning of 2003.
- In November, Sandvik Mining and Construction reached an agreement with Furukawa Co. Ltd in Tokyo, Japan, regarding product exchanges of rock-drilling and demolition tools and certain production cooperation. The intention is to be able to offer locally manufactured products in Japan.
- Sandvik Mining and Construction decided in November to consolidate production of machinery for the mining industry in North America to its plants in Alachua, Florida, US, and Burlington, Ontario, Canada. Work is under way to close the plant in Bluefield, West Virginia, which mainly manufactures machinery for the continuous mining of coal.

Profit sharing and options

Since 1986, Sandvik has a profit-sharing system for all employees at wholly-owned companies in Sweden. The Group's return during 2002 means that the maximum amount, SEK 150 M, is allocated to the profit-sharing fund.

Sandvik's Board decided in 1999 to establish a stock option plan for about 300 senior executives in Sweden and abroad. The plan provides the possibility of an annual allocation of so-called personnel options on Sandvik shares with a lifetime of five years and the right to exercise after three years, conditional upon continued employment. The allocation, which is consideration free, is based on Sandvik's return on capital employed in the preceding year.

The program is based on existing shares. Accordingly, there is no dilution effect for the current shareholders. The Board decided for 2003 to allocate 1,100,000 options to about 300 senior executives and specialists in the Group, of which 34,000 options to the President. The exercise price of the options will be 110% of the average share price during the next three trading days following publication of the year-end report.

Proposed dividend and repurchase of shares

The Board of Directors proposes a dividend of SEK 10.00 per share (9.50) or SEK 2,500 M (2,382). The proposal represents an increase of 5% from a year earlier and the dividend corresponds to 73% of earnings per share. The proposed record date for dividend entitlement is 8 May 2003.

Sandvik's high profitability and its strong cash flow facilitate organic growth and acquisitions as well as an aggressive policy for dividend and repurchases. Against this background, the Board has decided to propose that the Annual General Meeting on 5 May 2003 authorize the Board to continue to repurchase the company's own shares. It is proposed that the company may hold its own shares (treasury stock) amounting to not more than 10% of the total number of shares outstanding, corresponding to 25.8 million shares. At 31 December 2002, Sandvik held 8,697,000 (7,672,000) of its own shares, corresponding to 3.4% of the total number of shares (258,709,350). The purchase shall be made on Stockholmsbörsen (Stockholm Exchange) at the prevailing market price. The buy-back is a step in an adjustment of the company's capital structure in accordance with established financial objectives.

The Annual General Meeting will be held in Sandviken on 5 May 2003, at 18:00. The annual report will be distributed to the shareholders approximately two weeks prior to the Meeting.

Sandviken, 11 February 2003

Sandvik AB; (publ)
Board of Directors

Appendices:

1. Group summary
2. Invoicing and operating profit

The report on 2002 operations has not been audited by the company's auditors. Sandvik Group's result for the first quarter of 2003 will be published in connection with the Company's Annual General Meeting on 5 May 2003.

For additional information, please call +46 (0)26-26 10 01

A combined presentation and telephone conference will be held at the Operaterrassen in Stockholm on 11 February, 14:00. For further information visit www.sandvik.com

Consolidated Financial Information, SEK M

	Q4	Q4	Full-	Full-
	2002	2001	year	year
Income statement	2002	2001	2002	2001
Invoiced sales	12 660	12 780	48 700	48 900
Cost of goods sold	-8 437	-9 311	-33 013	-33 978
Gross profit	4 223	3 469	15 687	14 922
Selling and administrative expenses	-2 898	-2 567	-10 173	-9 288
Other operating income and expenses	198	36	257	129
Items affecting comparability	0	340	0	340
Operating profit	1 523	1 278	5 771	6 103
Financial income and expenses, net	-214	-129	-708	-497
Profit after financial items	1 309	1 149	5 063	5 606
Taxes	-310	-48	-1 431	-1 712
Minority interests	-59	-36	-196	-206
Net profit	940	1 065	3 436	3 688
Earnings per share before dilution, SEK	3.70	4.30	13.70	14.40
Earnings per share after full dilution, SEK	3.70	4.10	13.50	14.30
Average no. of shares ('000)	250 455	252 322	250 512	255 514
Average no. of shares after full dilution ('000)	255 367	257 243	255 418	260 435
Cash-flow statement				
Profit after financial items	1 309	1 149	5 063	5 606
Items not affecting cash flow	19	41	-175	-579
Reversal of depreciation	741	627	2 696	2 446
Taxes paid	-169	-405	-1 449	-1 762
Change in inventories	-8	323	285	-583
Change in operating receivables and liabilities	-101	-156	770	-35
Cash flow from operations	1 791	1 579	7 190	5 093
Investments, acquisitions and divestments	-967	-2 064	-4 708	-3 873
Change in short-term loans	-855	-226	-895	3 267
Change in long-term loans	109	600	1 236	870
Own shares acquired	-106	-403	-230	-1 660
Payment to pension fund	0	-1	0	-1 070
Dividends paid	0	0	-2 545	-2 554
Net cash-flow	-28	-515	48	73
Liquid funds at beginning of period	2 217	2 796	2 258	2 097
Exchange-rate differences in liquid funds	-14	-23	-131	88
Liquid funds at end of period	2 175	2 258	2 175	2 258

Balance sheet	Full-year 2002	Full-year 2001
Fixed assets	23 022	22 505
Inventories	12 849	12 953
Current receivables	12 075	11 833
Liquid assets	2 175	2 258
Total assets	50 121	49 549
Shareholders' equity	23 205	23 972
Minority interests	964	967
Interest-bearing provisions and liabilities	13 527	12 222
Non-interest-bearing provisions and liabilities	12 425	12 388
Total provisions, liabilities and shareholders' equity	50 121	49 549
Change in shareholders' equity		
Opening equity as shown in approved balance sheet	23 972	22 472
Effect of change in accounting principles	-	547
Opening equity adjusted to new accounting principles	23 972	23 019
Translation differences due to changed currency rates	-1 593	1 253
Dividends paid	-2 380	-2 328
Own shares aquired	-230	-1 660
Net profit of the period	3 436	3 688
Closing balance	23 205	23 972

Invoiced sales by market area	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Change	
SEK M	2001	2001	2002	2002	2002	2002	2002	%	% ¹⁾
EU	5 188	19 698	4 833	5 140	4 734	5 180	19 887	+1	-7
Rest of Europe	912	3 566	842	1 008	865	979	3 694	+4	-5
Europe total	6 100	23 264	5 675	6 148	5 599	6 159	23 581	+1	-6
NAFTA	2 759	11 543	2 799	2 787	2 715	2 825	11 126	-4	-10
South America	561	2 013	527	561	456	474	2 018	0	-11
Africa/Middle East	681	2 511	610	657	673	728	2 668	+6	+17
Asia/Australia	2 679	9 569	2 189	2 357	2 287	2 474	9 307	-3	-5
Group total	12 780	48 900	11 800	12 510	11 730	12 660	48 700	0	-7

Order intake by business area

SEK M	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Change	
SEK M	2001	2001	2002	2002	2002	2002	2002	%	% ¹⁾
Svk Tooling	3 888	16 355	4 274	4 608	4 404	4 618	17 904	+9	-3
Svk Mining and Construction	3 273	13 407	3 936	3 832	3 539	3 526	14 833	+11	+5
Svk Materials Technology	3 151	13 843	3 562	3 357	2 953	3 542	13 414	-3	-1
Seco Tools ²⁾	1 037	4 269	1 051	1 066	947	991	4 055	-5	-4
Group activities	1	26	7	7	7	3	24	/	/
Group total	11 350	47 900	12 830	12 870	11 850	12 680	50 230	+5	-1

Invoiced sales by business area

SEK M	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Change	
SEK M	2001	2001	2002	2002	2002	2002	2002	%	% ¹⁾
Svk Tooling	4 053	16 561	4 107	4 537	4 439	4 757	17 840	+8	-5
Svk Mining and Construction	3 849	13 501	3 464	3 653	3 338	3 387	13 842	+3	-4
Svk Materials Technology	3 817	14 528	3 200	3 244	3 008	3 518	12 970	-11	-8
Seco Tools ²⁾	1 059	4 259	1 027	1 059	938	993	4 017	-6	-5
Group activities	2	51	2	17	7	5	31	/	/
Group total	12 780	48 900	11 800	12 510	11 730	12 660	48 700	0	-7

Operating profit by business area

SEK M	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Change	
SEK M	2001	2001	2002	2002	2002	2002	2002	%	% ¹⁾
Svk Tooling	459 ³⁾	2 964 ³⁾	701	757	558	695	2 711		
Svk Mining and Construction	346	1 348	355	398	327	397	1 477		
Svk Materials Technology	328	1 281	278	332	230	342	1 182		
Seco Tools ²⁾	162	787	171	187	132	199	689		
Group activities	-17	-277	-84	-60	-34	-110	-288		
Group total	1 278 ³⁾	6 103 ³⁾	1 421	1 614	1 213	1 523	5 771		

Operating profit by business area

% of invoicing	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Change	
% of invoicing	2001	2001	2002	2002	2002	2002	2002	%	% ¹⁾
Svk Tooling	11	18	17	17	13	15	15		
Svk Mining and Construction	9	10	10	11	10	12	11		
Svk Materials Technology	9	9	9	10	8	10	9		
Seco Tools ²⁾	15	18	17	18	14	20	17		
Group total	10	12	12	13	10	12	12		

¹⁾ Change compared with year earlier at fixed exchange rates for comparable units.

²⁾ As a result of the majority holding in Seco Tools, Sandvik consolidates this company. For comments, refer to the company's report.

³⁾ Including SEK +340 M in items affecting comparability.