

Sandvik Q2

PRESS INFORMATION 4 August 2005

Report on the second quarter, 2005

STRONG GROWTH AND PROFIT INCREASE

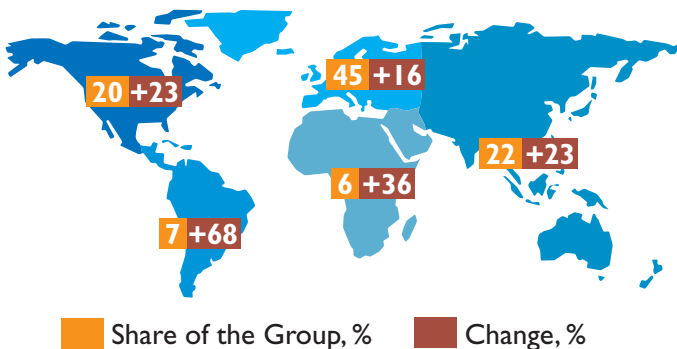
- Profit after financial items rose 27% to SEK 2,235 M.
- Order intake increased 22%* to SEK 17,371 M.
- Invoiced sales rose 17%* to SEK 16,150 M.
- Net profit for the period increased 21% to SEK 1 608 M.
- Earnings per share rose 23% to SEK 6.10.
Pro forma after redemption: SEK 6.25, +26%.



"It is very satisfying to present another strong quarter for Sandvik," says Lars Pettersson, President and CEO.

ORDER INTAKE*

PERCENTAGE SHARE AND CHANGE



"Demand during the quarter remained favorable in all market areas and all business areas reported continued growth. Profit after financial items increased by 27% and the margin amounted to 14 %. Earnings per share rose by 23%.

We have now had twelve consecutive quarters with positive growth based on a positive business climate and increased market shares. Our long-term focus on generating customer value through global presence and product development continues to produce results," says Lars Pettersson, President and CEO of Sandvik.

KEY FIGURES

SEK M	Q2/05	Q2/04	Q1-2/05	Q1-2/04
Order intake	17 371	14 390	33 017	28 550
Invoiced sales	16 150	13 980	30 344	26 660
Operating profit	2 425	1 952	4 466	3 612
Earnings per share, SEK	6.10	4.95	11.30	9.20

BUSINESS AREAS – ORDER INTAKE*

+13%



Sandvik Tooling

+33%



Sandvik Mining and Construction

+25%



Sandvik Materials Technology

* Change compared to the same quarter the preceding year at fixed exchange rates for comparable units.

Effective 1 January 2005, Sandvik applies the International Financial Reporting Standards (IFRS). The comparative figures for 2004 have been recalculated to IFRS.



For additional information, please call +46 (0)-26-26 10 01 or visit www.sandvik.com

Financial overview

INCOME STATEMENT SEK M	Q2 2005	Q2 2004	Change %	Q1-2 2005	Q1-2 2004	Change %
Order intake	17 371	14 390	+21 ¹⁾	33 017	28 550	+16 ¹⁾
Invoiced sales	16 150	13 980	+16 ²⁾	30 344	26 660	+14 ²⁾
Operating profit	2 425	1 952	+24	4 466	3 612	+24
%	15.0	14.0		14.7	13.5	
Profit after financial items	2 235	1 766	+27	4 127	3 276	+26
%	13.8	12.6		13.6	12.3	
Profit for the period	1 608	1 333	+21	2 971	2 458	+21
%	10.0	9.5		9.8	9.2	
of which, shareholders' interest	1 511	1 252	+21	2 795	2 318	+21
Earnings per share, SEK*	6.10	4.95	+23	11.30	9.20	+23

1) +22 % and +18 % at fixed exchange rates for comparable units .

2) +17 % and +16 % at fixed exchange rates for comparable units .

*) Calculated on the basis of the shareholders' share of profit for the period.

Pro forma SEK 6.25, +26% after redemption. The redemption program will have full effect on earnings per share in the third quarter of 2005.

KEY FIGURES	Q2 2005	Q2 2004	Full-year 2004
No. of outstanding shares at end of period ('000)	247 045 ¹⁾	254 045	247 045
Average no. of shares ('000)	247 045	252 714	251 334
Tax rate, %	28	25	26
Return on capital employed, %*	22.2	15.9	20.5
Return on total equity, %*	24.0	16.2	21.7
Shareholders' equity per share, SEK	81.50	88.50	91.40
Net debt/equity ratio	0.7	0.5	0.5
Net working capital, %	29	30	29
Number of employees	39 105	37 405	38 421

1) 30 June 2005, before redemption.

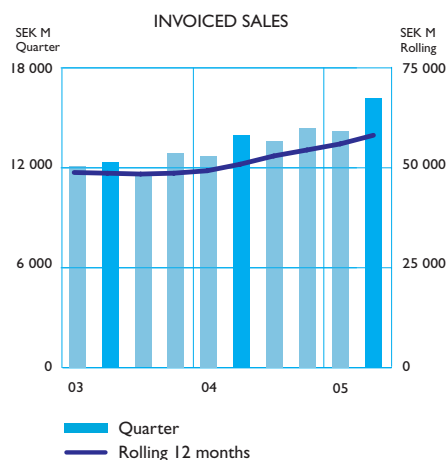
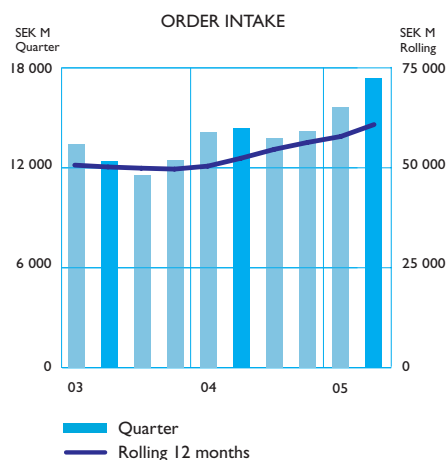
*) Rolling 12 months

ORDER INTAKE BY MARKET AREA

Market area	Q2 2005			Q1-2 2005		
	Order intake SEK M	Change* %	Share %	Order intake SEK M	Change* %	Share %
Europe	7 794	+16	45	14 918	+10	45
NAFTA	3 440	+23	20	6 516	+22	20
South America	1 281	+68	7	1 953	+49	6
Africa/Middle East	1 054	+36	6	1 900	+12	6
Asia/Australia	3 802	+23	22	7 730	+31	23
Total	17 371	+22	100	33 017	+18	100

* at fixed exchange rates for comparable units.

Sales



Order intake totaled SEK 17,371 M (14,390) representing a total increase of 21% and by 22% at fixed exchange rates for comparable units. Growth at fixed exchange rates and for comparable units was 13% for Sandvik Tooling and 33% for Sandvik Mining and Construction. The order intake for Sandvik Materials Technology rose by 25%, including a positive effect of approximately 8 percentage points as compensation for rising raw materials prices.

Order intake in Europe was positive compared with the preceding year and the preceding quarter. In Germany and Eastern Europe, demand remained high, while it was somewhat weaker in Southern Europe and the UK. The business climate in NAFTA remained positive, with increases for all business areas. Development was also strong in South America, notably in the automotive, mining and construction industries. Order intake in Africa/Middle East increased by 36% from the preceding year, which was mainly attributable to favorable demand from the mining industry. In Asia/Australia, order intake rose by 23% from the preceding year. Development remained strong in China, India and other areas

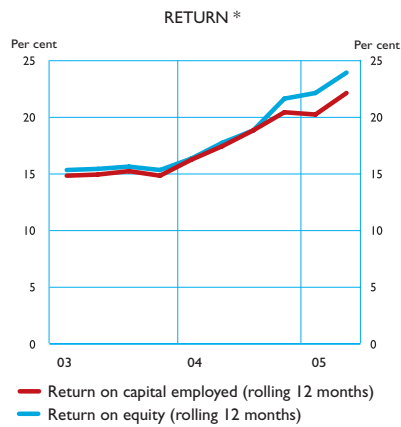
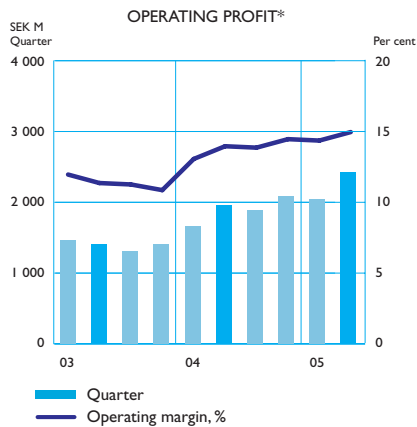
of Southeast Asia and Australia. Demand in Japan was positive for Sandvik Tooling and for Sandvik Mining and Construction.

Industrial conditions remained strong, notably in investment-related areas such as machinery, mining and construction industries, as well as in the oil and gas and process industries. Demand from the general engineering industry was at a high level, especially in Eastern Europe, NAFTA and Asia. In NAFTA, output of heavy vehicles remained high, while the production rate in the domestic car industry declined. Demand from the aerospace industry rose in both Europe and NAFTA. Activity in the electronics industry stabilized.

Invoiced sales amounted to SEK 16,150 M (13,980), a total increase of 16% and by 17% at fixed exchange rates for comparable units. The increase at fixed exchange rates and for comparable units was 11% for Sandvik Tooling, 23% for Sandvik Mining and Construction and 18% for Sandvik Materials Technology. Approximately 8 percentage points of the increase in Sandvik Materials Technology were attributable to higher raw materials prices.

CHANGE %	ORDER INTAKE				INVOICED SALES			
	Q2 2005	Q2 2004	Q1-2 2005	Q1-2 2004	Q2 2005	Q2 2004	Q1-2 2005	Q1-2 2004
Price/volume	+22	+17	+18	+14	+17	+15	+16	+12
Structural	-2	0	-1	-1	-1	-1	-1	-1
Currency	0	-1	-1	-2	0	-1	-1	-2
Total	+21	+16	+16	+11	+16	+13	+14	+9

Earnings and return



* Excluding one off items in Q4 2003. Adjusted for IFRS from Q1 2004

Operating profit amounted to SEK 2,425 M, an increase of 24%. The operating margin was 15.0% of invoiced sales. The earnings improvement was attributable to higher sales volumes and prices, higher capacity utilization and effects of completed rationalization programs. Changed exchange rates had a negative impact on earnings of about SEK 30 M.

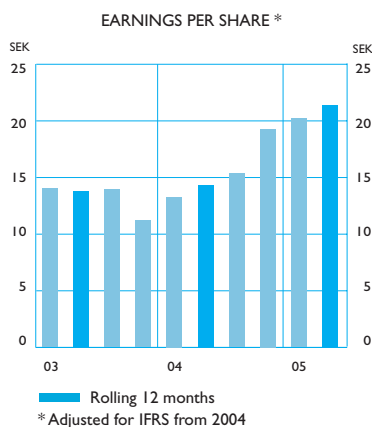
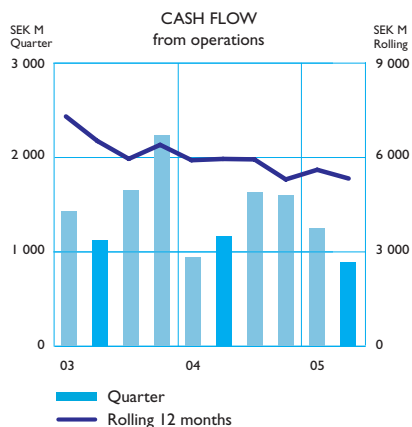
Net financial expense amounted to SEK 190 M (expense: 186). Profit after financial income and expenses increased by 27% to SEK 2,235 M (1,766), 13.8% of invoiced sales. Tax amounted to SEK 627 M (433). Profit for the period increased by 21% to SEK 1,608 M (1,333). Earnings per share rose by 23% to SEK 6.10 (4.95).

Cash flow from operations amounted to SEK 882 M (1,159) for the quarter. Working capital rose SEK 1,154 M in volume as a result of higher operating volumes and a certain seasonal effect. Investments amounted to SEK 839 M (971).

Cash flow after investments was SEK 108 M (238) for the quarter.

Capital efficiency improved from the preceding year and working capital as a percentage of invoiced sales amounted to 29% (30). The return on capital employed rose to 22.2% (20.5 for full-year 2004). The return on total equity was 24.0% (21.7 for full-year 2004). Interest-bearing liabilities and provisions, less cash and cash equivalents, resulted in a net debt of SEK 15,464 M (12,714). Cash and cash equivalents amounted to SEK 1,731 M (1,804) and loans to SEK 13,325 M (11,013).

The net debt/equity ratio rose to 0.7. It was affected by the dividend and the decline in shareholders' equity as a result of the redemption program. The redemption will have full effect on earnings per share and the net debt/equity ratio in the third quarter of 2005 since the decision was registered and payment made in July.



* Adjusted for IFRS from 2004

Sandvik Tooling

Sandvik Tooling's order intake amounted to SEK 5,503 M (5,084), which was an increase of 13% at fixed exchange rates for comparable units. Invoiced sales totaled SEK 5,344 M (4,997), an increase from the preceding year of 11% at fixed exchange rates for comparable units.

The market trend remained positive, in particular for cemented carbide tools. Demand from the general engineering industry and the heavy automotive industry was high and the order intake from the aerospace industry increased further. Business conditions in Europe remained strong. Sales in NAFTA continued to be strong in all customer segments, apart from the passenger car industry. Order intake in Asia was favorable, particularly in China, India and Japan.

The strong focus on product development remains successful. New products such as Sandvik Coromant's CoroDrill and Walters' Xtra-tec

milling range are examples of successful launches. The business area's strong product program and brands, combined with a well-developed global sales organization, are important driving forces for increased market shares. The trend was also positive for drills in solid cemented carbide and for Sandvik Hard Materials, which signed a new contract for supplies of advanced components in cemented carbide to the oil and gas industry.

Operating profit in the second quarter amounted to SEK 1,137 M (970), an increase of 17%. The operating margin totaled 21.3% (19.4). The profit increase was mainly attributable to higher volume and price, high capacity utilization and completed efficiency enhancement programs. The return on capital employed rose to 30.6% (24.4).



Beverage producer Wahaha in Hangzhou, in China, uses Sandvik's milling tools for the efficient machining of molds for bottle production.

SANDVIK TOOLING

	Q2 2005	Q2 2004	Change %	Q1-2 2005	Q1-2 2004	Change %
SEK M						
Order intake	5 503	5 084	+13 *	10 544	10 098	+10 *
Invoiced sales	5 344	4 997	+11 *	10 272	9 698	+10 *
Operating profit	1 137	970	+17	2 161	1 852	+17
%	21.3	19.4		21.0	19.1	
Return on capital employed	30.6	24.4				
Number of employees	15 122	14 878	+2			

* at fixed exchange rates for comparable units.

Sandvik

Mining and Construction

Sandvik Mining and Construction's order intake amounted to SEK 5,833 M (4,362), an increase of 33% at fixed exchange rates for comparable units.

The market trend remained positive. Demand for base metals such as copper, nickel and zinc was high and metal prices exceeded historic levels. Prices of precious metals were also high, with strong demand for gold, platinum and palladium. The global demand for coal for the energy sector was high and resulted in increased coal-extraction activity.

The high production rate, combined with investments in new deposits, meant that demand for the business area's machines, tools and service for the mining industry remained very high and the trend was strong in all market regions. Demand from the civil-engineering industry in Eastern Europe, NAFTA and Asia was also positive. The trend for project operations in the area of materials handling for storage, transport and handling of ore remained favorable. Product area

Sandvik Materials Handling secured, among other assignments, an order for about SEK 300 M in Brazil. During the quarter, a successful installation of the Automine concept, automated mine operation, was commenced at the South African customer DeBeers.

Invoiced sales rose by 23% at fixed exchange rates for comparable units and amounted to SEK 5,241 M (4,235).

In the second quarter, operating profit rose by 37% to SEK 660 M (482) or 12.6% of invoiced sales. This was positively affected by high volume and high capacity utilization. Increased component costs were largely offset by a positive price trend. The operating margin rose for both machines and projects. The return on capital employed increased to 23.2 % (19.4).

The business area is currently expanding its capacity by establishing assembly plants in Poland, India and China. The units will be taken into operation in autumn 2005.



The world's largest underground mine, El Teniente in Chile, is using patented technology from Sandvik Mining and Construction to automate its operations. The operator can sit in a control room on the surface and handle the transport of ore down in the mine.

SANDVIK MINING AND CONSTRUCTION

SEK M	Q2 2005	Q2 2004	Change %	Q1-2 2005	Q1-2 2004	Change %
Order intake	5 833	4 362	+33 *	10 908	8 512	+28 *
Invoiced sales	5 241	4 235	+23 *	9 454	7 772	+21 *
Operating profit	660	482	+37	1 150	837	+37
%	12.6	11.4		12.2	10.8	
Return on capital employed	23.2	19.4				
Number of employees	10 080	9 200	+10			

* at fixed exchange rates for comparable units.

Sandvik

Materials Technology

Sandvik Materials Technology's order intake totaled SEK 4,778 M (3,843), which was an increase from the preceding year by 25% at fixed exchange rates for comparable units. Invoiced sales amounted to SEK 4,313 M (3,655), which was an increase of 18% at fixed exchange rates for comparable units. Price surcharges for higher raw material prices positively affected order intake and invoiced sales by about 8 percentage points and thus the increase in comparable terms was 17% and 10%, respectively.

Business conditions remained favorable for special products, notably seamless tubes in stainless and high-alloyed materials for such investment-related customer segments as the oil and gas and process industries. The order intake from the engineering industry and consumer-related customer segments in Europe stabilized. Demand remained strong in NAFTA and parts of Asia. During the quarter, an order was received for seamless tubes for the oil and gas industry valued at about SEK 300 M.

Operating profit in the second quarter rose 41% and amounted to SEK 475 M (338) or 11.0% of invoiced sales. Profitability increased in all product areas. The improvement was mainly attributable to higher volumes and prices, higher capacity utilization and increased internal efficiency. The return on capital employed rose to 12.3% (9.5).

The production units in the Czech Republic and India are extending their capacity for the production of seamless tubes that are used, for example, in the oil and gas industry.



The oil and gas industry is one of the most important customer segments for Sandvik Materials Technology. During the quarter, an order was received for seamless tubes for the oil and gas industry in an amount of approximately SEK 300 M.

SANDVIK MATERIALS TECHNOLOGY

SEK M	Q2 2005	Q2 2004	Change %	Q1-2 2005	Q1-2 2004	Change %
Order intake	4 778	3 843	+25 *	9 090	7 754	+19 *
Invoiced sales	4 313	3 655	+18 *	8 184	7 028	+18 *
Operating profit	475	338	+41	864	664	+30
%	11.0	9.2		10.6	9.4	
Return on capital employed	12.3	9.5				
Number of employees	8 349	8 077	+3			

* at fixed exchange rates for comparable units.

Excluding surcharges for higher raw material prices, the increase in Q2 was 17% and 10%, respectively.

First six months of 2005

Order intake for the first six months of the year amounted to SEK 33,017 M (28,550), which was an increase of 16% in total and 18% at fixed exchange rates for comparable units. Invoiced sales amounted to SEK 30,344 M (26,660), which was an increase of 14% in total and 16% at fixed exchange rates for comparable units.

Operating profit for the period January-June amounted to SEK 4,466 M (3,612), which was an increase of SEK 854 M or 24%. The operating margin was 14.7% of invoiced sales. Changed exchange rates had a negative impact of about SEK 130 M on profits.

Net financial expense was SEK 339 M

(expense: 336) and profit after financial items amounted to SEK 4,127 M (3,276), an increase of 26%. The tax rate was 28% and the profit for the period totaled SEK 2,971 M (2,458). Earnings per share totaled SEK 11.30 (9.20).

Cash flow from operations was SEK 2,128 M (2,099). The Group's investments in fixed assets totaled SEK 1,444 M (1,473). Corporate acquisitions totaled SEK 28 M. After investments, acquisitions and divestments, cash flow amounted to SEK 732 M (656).

The number of employees totaled 39,105 (38,421 at 31 December 2004), which was an increase of 684 persons for comparable units from the beginning of the year.

Parent Company

The Parent Company's invoicing was SEK 7,954 M (6,546) and operating profit amounted to SEK 416 M (474). Interest-bearing liabilities and provisions, less cash and cash equivalents and

interest-bearing assets amounted to SEK 6,277 M (3,005 at 31 December 2004). Investments in fixed assets amounted to SEK 341 M (606).

Accounting principles

Effective 1 January 2005, Sandvik AB applies International Financial Reporting Standards (IFRS) in its financial reporting. This interim report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting, and in line with the IFRS principles expected to be applied on 31 December 2005. IFRS is subject to continual review and, accordingly, changes may occur during 2005.

The applied accounting principles, changes compared with previously applied principles and the financial effects of changes in accounting principles as well as recalculated comparative figures, are shown in the separate document "Sandvik AB – Effect of the transition to International

Financial Reporting Standards (IFRS)" which was published on 31 March 2005 (the document is available at Sandvik's website: www.sandvik.com).

Effective 1 January 2005, Sandvik has chosen to apply hedge accounting in accordance with "Amendment to IAS 39 – Cash Flow Hedge Accounting of Forecast Intragroup Transactions," published by IASB (International Accounting Standards Board) in April 2005. This standard permits hedge accounting of forecast internal goods transactions. Profit after tax for the first six months would have been adversely affected in an amount of SEK 310 M, if such hedge accounting had not been applied.

Share redemption completed

On 3 May 2005, the Annual General Meeting of Sandvik AB decided to implement a redemption offer entitling Sandvik shareholders to redeem shares in the Company for a cash payment of SEK 405 per share. The offer was based on the Company's strong earnings performance, cash flow and balance sheet. The redemption of shares enhances the efficiency of the Group's capital structure and the value for shareholders is increased.

During the registration period, a total of 9,787,361 Sandvik shares were registered for redemption, corresponding to a value of approximately SEK 4 billion. Registration for the redemption offer exceeded 99%.

The Extraordinary General Meeting on 28 June 2005 resolved to redeem 9,787,361 shares and withdraw 16,522,000 shares repurchased previously. The decision was registered at the beginning of July. This means that the share capital has been reduced by SEK 157,856,166, at the same time as about SEK 4 billion has been transferred to the Company's shareholders.

Further, the 26,309,361 C-shares that the General Meeting decided to issue to Svenska Handelsbanken, in order to reduce the time expenditure involved in the reduction, have been redeemed at a nominal value of SEK 6 per share, adjusted by an interest rate factor. The reduction

also included the transfer of SEK 157,856,166 from unrestricted shareholders' equity to the statutory reserve.

Following registration of the above and payment at the beginning of July, the effect is:

- Sandvik AB's share capital has been reduced by SEK 157,856,166 and amounts to SEK 1,423,544,610. The number of shares outstanding totals 237,257,435.
- Sandvik AB's statutory reserve has increased by SEK 157,856,166.
- Sandvik AB's unrestricted shareholders' equity has declined by SEK 3,963,881 and interest-bearing liabilities have increased by a corresponding amount.
- The effect of the above is that earnings per share will increase by approximately 3% from the third quarter of 2005.

In accordance with the International Financial Reporting Standards (IFRS), the accounts included SEK 3,963,881, booked as current, non-interest-bearing liabilities and shareholders' equity was reduced by the same amount. Since the decision was registered in July, the number of shares remained unchanged at 30 June 2005.

For additional information: www.sandvik.com/ir.

Sandviken, 4 August 2005

Sandvik AB; (publ)

Lars Pettersson
President and CEO

Appendices:

1. Group summary
2. Invoicing and operating profit

The Company's auditors have not conducted a special audit of this report.

The Sandvik Group's earnings for the third quarter of 2005 will be published on 3 November 2005.

For additional information, please call +46 (0) 26-26 10 01. A combined presentation and telephone conference will be held on 4 August at 2:00 p.m. at Operaterrassen in Stockholm. For further information, visit www.sandvik.com

POSTAL ADDRESS

Sandvik AB
Group Communications
SE-811 81 Sandviken

PUBLIC COMPANY (publ)

Corp. Reg. No: 556000-3468
VAT No: SE663000060901

PHONE AND FAX

+46 26 - 26 00 00
+46 26 - 26 10 43

WEB SITE AND E-MAIL

www.sandvik.com
info.group@sandvik.com

Appendix 1

CONSOLIDATED FINANCIAL INFORMATION, SEK M

INCOME STATEMENT	Q2 2005	Q2 2004	Change %	Q1-2 2005	Q1-2 2004	Change %
Invoiced sales	16 150	13 980	+16	30 344	26 660	+14
Cost of goods sold	-10 649	-9 169	+16	-19 866	-17 427	+14
Gross profit	5 501	4 811	+14	10 478	9 233	+13
% of invoicing	34.1	34.4		34.5	34.6	
Selling expenses	-2 227	-2 016	+10	-4 328	-4 020	+8
Administrative expenses	-589	-535	+10	-1 151	-1 070	+8
R&D expenses	-352	-336	+5	-677	-667	+1
Other operating income and expenses	92	28	+229	144	136	+6
Operating profit	2 425	1 952	+24	4 466	3 612	+24
% of invoicing	15.0	14.0		14.7	13.5	
Interest expenses and similar charges	-245	-209	-18	-403	-399	-18
Interest income	55	20		66	45	
Other financial income and expenses, net	0	3		-2	18	
Profit after financial items	2 235	1 766	+27	4 127	3 276	+26
% of invoicing	13.8	12.6		13.6	12.3	
Taxes	-627	-433	+45	-1 156	-818	+41
Profit for the period	1 608	1 333	+21	2 971	2 458	+21
% of invoicing	10.0	9.5		9.8	9.2	
Minority interests	97	81	+20	176	140	+26
Shareholders' interest	1 511	1 252	+21	2 795	2 318	+21

BALANCE SHEET	Q2 2005	Q2 2004	Change %	Q4 2004
Intangible fixed assets	5 604	5 070	+11	5 139
Tangible fixed assets	16 014	15 215	+5	15 070
Financial fixed assets	3 113	2 538	+23	2 454
Inventories	16 370	13 460	+22	13 459
Current receivables	16 292	13 058	+25	13 532
Cash and cash equivalents	1 731	1 804	-4	1 720
Total assets	59 124	51 145	+16	51 374
Total equity	21 053	23 402	-10	23 551
Interest-bearing provisions and liabilities	17 195	14 518	+18	14 207
Non-interest-bearing provisions and liabilities	20 876	13 225	+58	13 616
Total equity and liabilities	59 124	51 145	+16	51 374
Net working capital*	20 202	16 948	+19	16 637

*) Inventories + trade receivables excl. prepaid income taxes – non-interest-bearing liabilities excl. tax liabilities.

Appendix 1 (cont)

CHANGE IN TOTAL EQUITY, SEK M	Q1-2 2005	Q1-2 2004
Opening equity as shown in approved balance sheet for the preceding year (IFRS)	23 551	22 649
Effect of change in accounting principles (IAS 39)	+62	-
Opening equity adjusted to new accounting principles	23 613	22 649
Exchange differences due to changed currency rates	+1 730	+204
Effect of share based payments	-21	+8
Effect of hedge accounting in accordance with IAS 39	-264	-
Dividends to shareholders	-3 012	-2 799
Buy-back of own shares	-	-208
New issue of shares*	-	+1 090
Redemption of own shares	-3 964	-
Net profit of the period	+2 971	+2 458
Closing equity	21 053	23 402

* Conversion of loans and new issues as a result of outstanding options program.

CASH FLOW STATEMENT SEK M	Q2 2005	Q2 2004	Q1-2 2005	Q1-2 2004
<i>Cash flow from operating activities</i>				
Profit after financial income and expenses	+2 235	+1 766	+4 127	+3 276
Reversal of depreciation	+657	+599	+1 296	+1 196
Adjustment for items that do not require the use of cash	-108	-142	-66	-114
Taxes paid	-433	-510	-987	-771
Cash flow from operations before changes in working capital	+2 351	+1 713	+4 370	+3 587
<i>Changes in working capital</i>				
Change in inventories	-761	-502	-1 713	-1 110
Change in operating receivables	-981	+111	-1 416	-1 136
Change in operating liabilities	+273	-163	+887	+758
Net cash from operating activities	+882	+1 159	+2 128	+2 099
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	-	-8	-28	-99
Investments in tangible fixed assets	-839	-971	-1 444	-1 473
Proceeds from sale of companies and shares, net of cash disposed of	-	+15	-	+15
Proceeds from sale of tangible fixed assets	+65	+43	+76	+114
Net cash used in investing activities	-774	-921	-1 396	-1 443
Net cash flow after investing activities	+108	+238	+732	+656
<i>Cash flow from financing activities</i>				
Change in short-term loans	+1 650	+2 802	+1 245	+2 022
Change in long-term loans	+750	+70	+730	+33
Reacquisition of own shares	-	-208	-	-208
Issue of shares in connection with exercise of options	-	+86	-	+117
Redemption program of own shares	+158	-	+158	-
Dividends paid	-3 012	-2 799	-3 012	-2 799
Net cash used in financing activities	-454	-49	-879	-835
Cash-flow of the period	-346	+189	-147	-179
Cash and cash equivalents at beginning of the period	1 977	1 642	1 720	1 972
Exchange-rate differences in cash and cash equivalents	+100	-27	+158	+11
Cash and cash equivalents at the end of the period	1 731	1 804	1 731	1 804

Appendix 2

INVOICED SALES BY MARKET AREA

SEK M	Q2	Q3	Q4	Q1-4	Q1	Q2	Change Q2		Q1-2
	2004	2004	2004	2004	2005		2005	%	
Europe	6 670	6 056	6 975	26 141	7 023	7 609	+14	+15	14 633
NAFTA	2 781	2 697	2 640	10 651	2 747	3 011	+8	+13	5 759
South America	671	804	792	2 757	692	866	+29	+30	1 558
Africa/Middle East	935	894	928	3 454	818	989	+6	+7	1 807
Asia/Australia	2 923	3 119	3 045	11 607	2 914	3 675	+26	+28	6 587
Group total	13 980	13 570	14 380	54 610	14 194	16 150	+16	+17	30 344

ORDER INTAKE BY BUSINESS AREA

SEK M	Q2	Q3	Q4	Q1-4	Q1	Q2	Change Q2		Q1-2
	2004	2004	2004	2004	2005		2005	%	
Svk Tooling	5 084	4 668	4 818	19 584	5 041	5 503	+8	+13	10 544
Svk Mining and Construction	4 362	4 366	4 284	17 162	5 075	5 833	+34	+33	10 908
Svk Materials Technology	3 843	3 674	3 963	15 391	4 312	4 778	+24	+25	9 090
Seco Tools ²⁾	1 102	1 066	1 095	4 344	1 209	1 252	+14	+14	2 461
Group activities	-1	-4	20	19	9	5			14
Group total	14 390	13 770	14 180	56 500	15 646	17 371	+21	+22	33 017

INVOICED SALES BY BUSINESS AREA

SEK M	Q2	Q3	Q4	Q1-4	Q1	Q2	Change Q2		Q1-2
	2004	2004	2004	2004	2005		2005	%	
Svk Tooling	4 997	4 745	4 784	19 227	4 928	5 344	+7	+11	10 272
Svk Mining and Construction	4 235	4 330	4 515	16 617	4 213	5 241	+24	+23	9 454
Svk Materials Technology	3 655	3 447	3 949	14 424	3 871	4 313	+18	+18	8 184
Seco Tools ²⁾	1 094	1 040	1 121	4 312	1 174	1 247	+14	+14	2 421
Group activities	-1	8	11	30	8	5			13
Group total	13 980	13 570	14 380	54 610	14 194	16 150	+16	+17	30 344

OPERATING PROFIT BY BUSINESS AREA

SEK M	Q2	Q3	Q4	Q1-4	Q1	Q2	Change %	Q1-2
	2004	2004	2004	2004	2005			
Svk Tooling	970	1 028	984	3 864	1 024	1 137	+17	2 161
Svk Mining and Construction	482	466	526	1 829	489	660	+37	1 150
Svk Materials Technology	338	287	403	1 354	389	475	+41	864
Seco Tools ²⁾	237	182	221	840	251	284	+20	536
Group activities	-75	-76	-55	-309	-112	-131		-245
Group total	1 952	1 887	2 079	7 578	2 041	2 425	+24	4 466

OPERATING PROFIT BY BUSINESS AREA

% OF INVOICING	Q2	Q3	Q4	Q1-4	Q1	Q2	Q1-2
	2004	2004	2004	2004	2005		
Svk Tooling	19.4	21.7	20.6	20.1	20.8	21.3	21.0
Svk Mining and Construction	11.4	10.8	11.7	11.0	11.6	12.6	12.2
Svk Materials Technology	9.2	8.3	10.2	9.4	10.0	11.0	10.6
Seco Tools ²⁾	21.7	17.5	19.7	19.5	21.4	22.8	22.1
Group total	14.0	13.9	14.5	13.9	14.4	15.0	14.7

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

2) As a result of the majority holding in Seco Tools AB, Sandvik consolidates this company.

For comments, refer to the company's interim report.