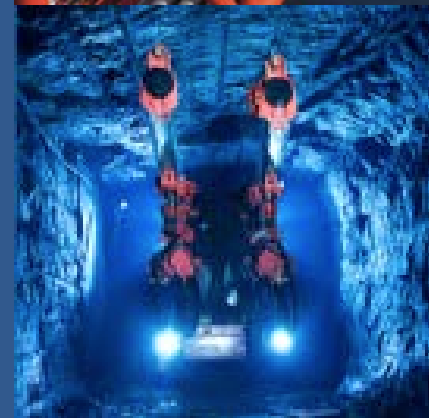


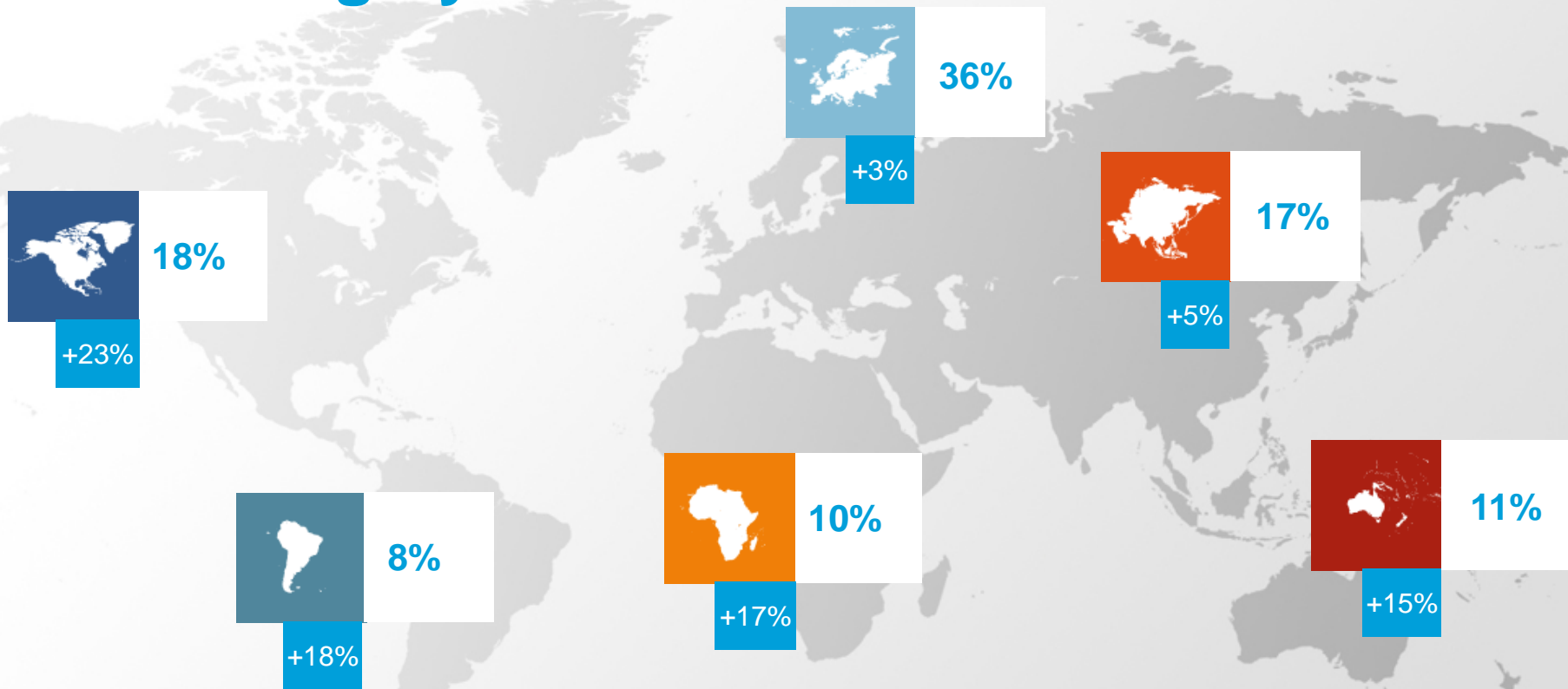
**Record-high order  
intake in the  
quarter**



# Quarterly highlights

- Record-high order intake, 28,894 MSEK
- Overall strong demand
  - Strong demand for Mining and Machining Solutions
  - Stable demand for Construction and Venture
  - Fragmented demand for Materials Technology
- EBIT 3,819 MSEK, 15.4%
  - Cost savings ahead of plan
- ROCE annualized quarter result 23.2%
  - ROCE reported rolling 12 months 16.6%
- New organization in place
  - Seco Tools integration running according to plan
  - Medical Solutions divested

## Invoicing by market



Share of Group total



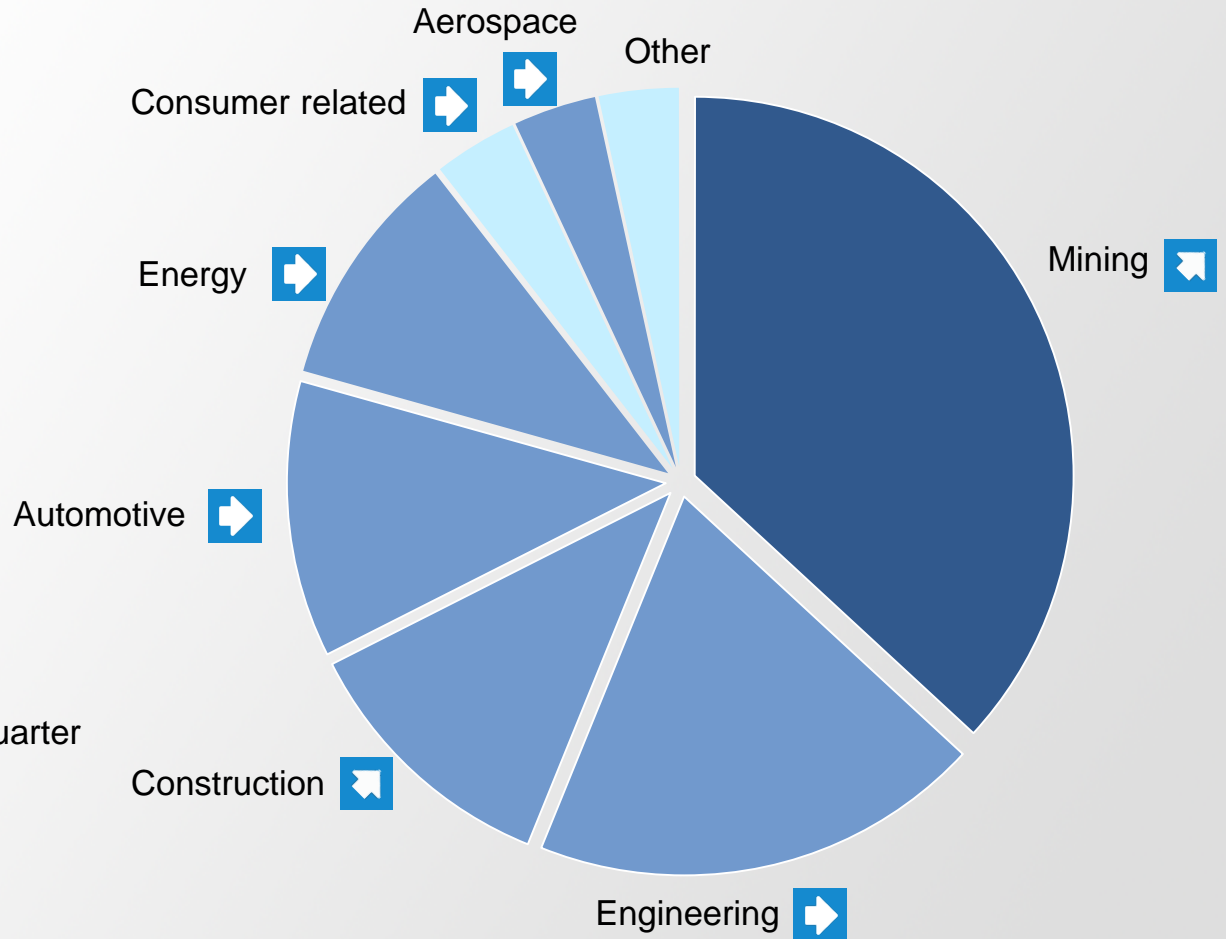
Invoicing (p/v) Q1 2012, change compared with Q1 2011

# Customer segments

Invoicing vs. Q1 2011



Sequential trend from last quarter



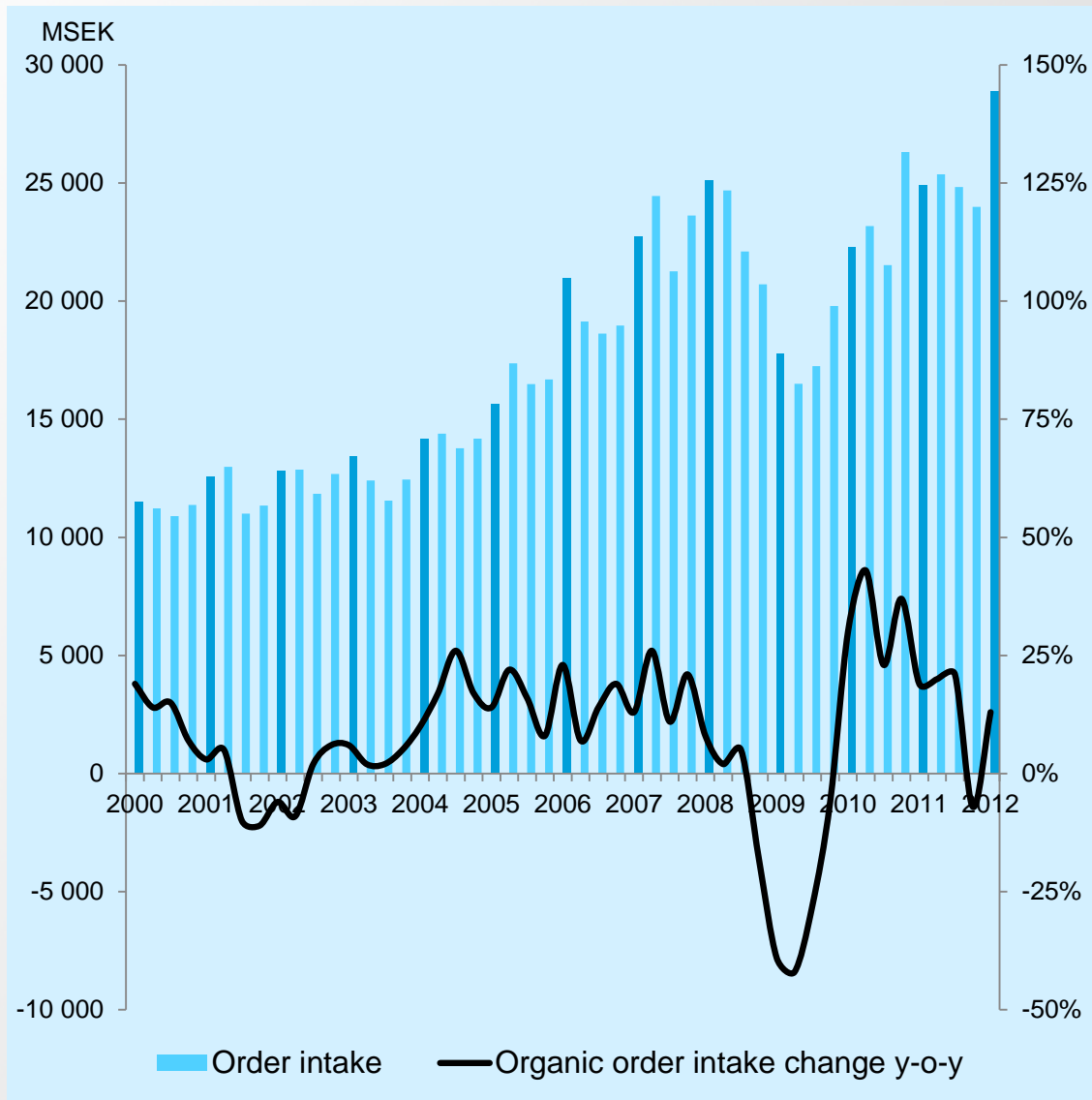
Pie chart representing share of invoicing 2011

## Order intake

**Order intake 28,894 MSEK**

- Major mining systems orders  
1.6 billion SEK

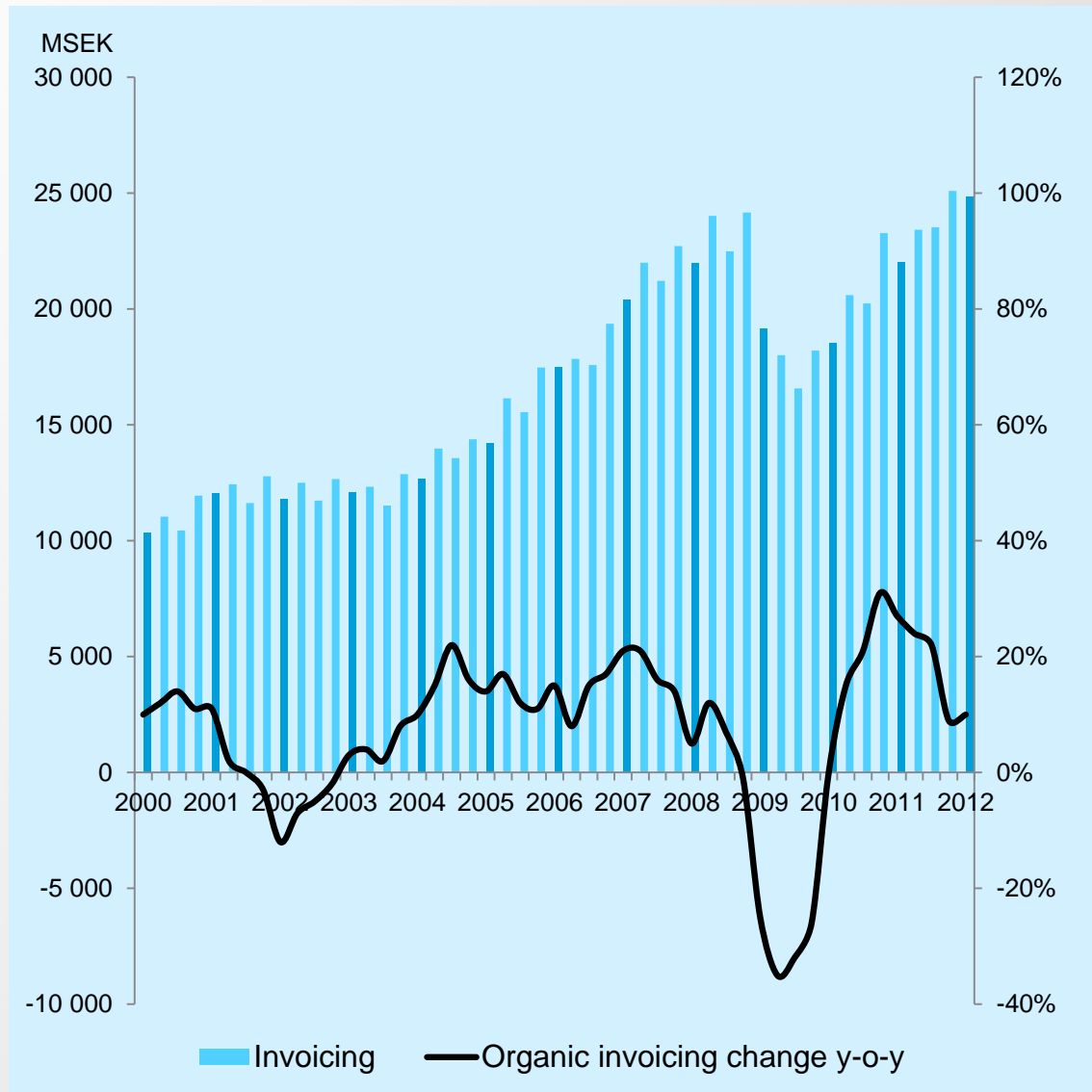
**Change p/v +13%**



# Invoicing

**Invoicing 24,838 MSEK**

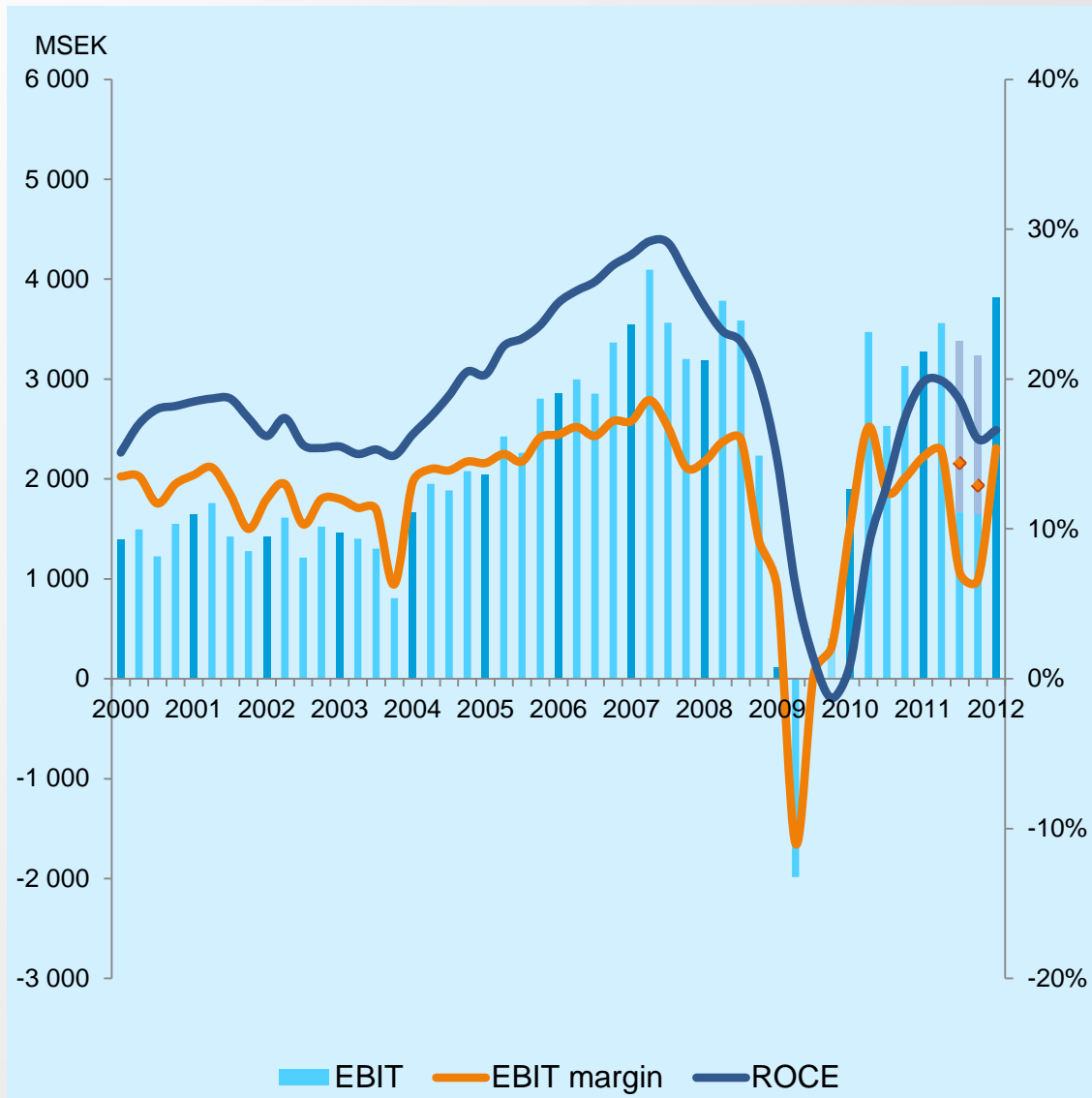
**Change p/v +10%**



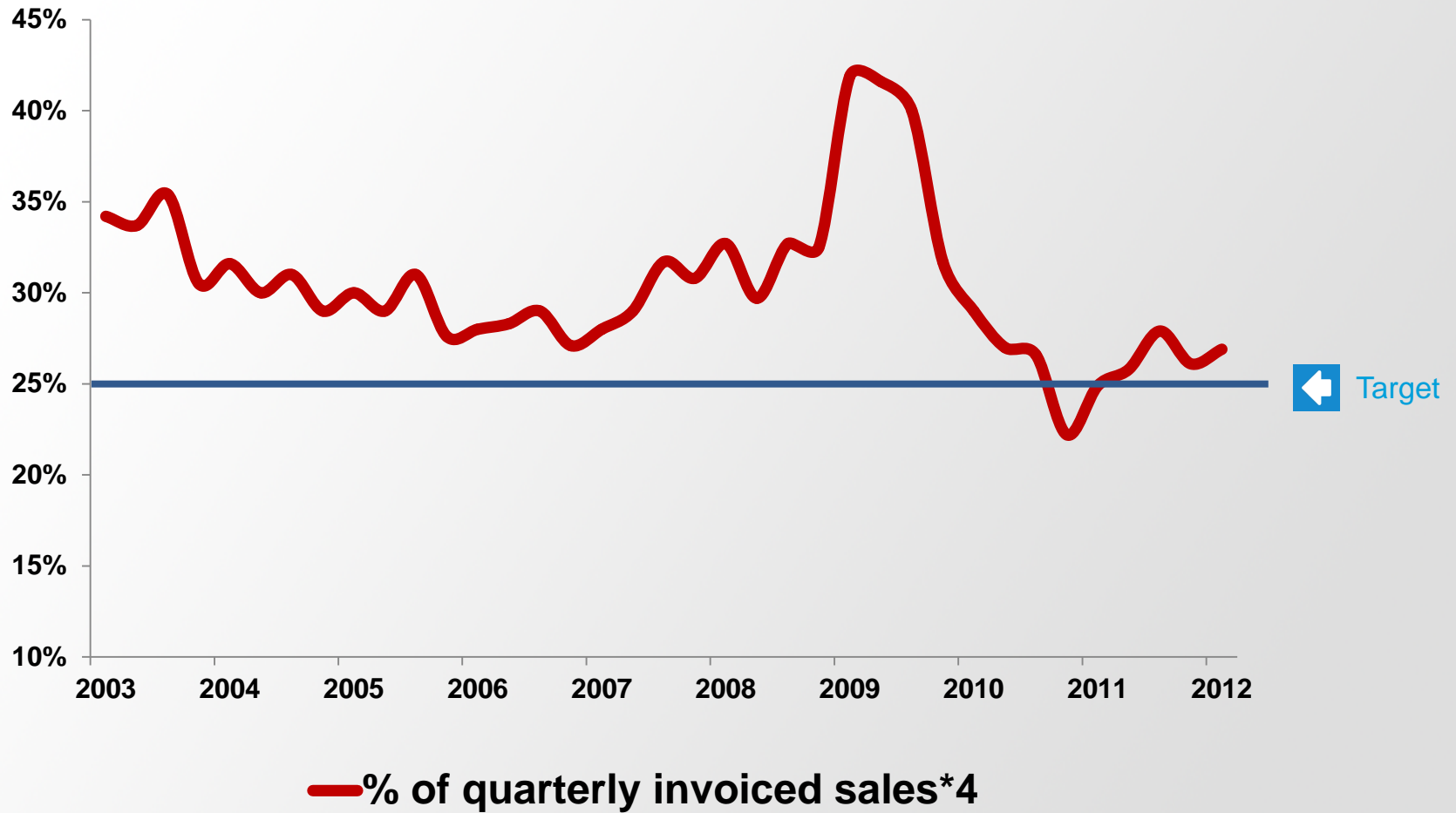
# EBIT and ROCE

## Q1 2012

- EBIT 3,819 MSEK
- EBIT margin 15.4%
- ROCE annualized quarter result 23.2%
- ROCE reported rolling 12 months 16.6%



# Net Working Capital



## Bridge analysis

MSEK	Q1 2011	Price/ volume/ Productivity	Currency	Structure, one-offs*	Q1 2012
<b>Sandvik Group</b>					
Invoiced sales	22,030	+2,500	+500	-150	24,838
EBIT	3,271	+800	+100	-375	3,819
EBIT margin	14.8%	+32%			15.4%

\* Includes metal price effects

## Sandvik Mining

- Record-high order intake, +40% p/v
- Major mining systems orders 1.6 bn SEK
- Increased profitability
  - EBIT 1,494 MSEK (1,208)
  - EBIT margin 17.3% (17.0)
- ROCE annualized quarter result 39.5%
  - ROCE reported rolling 12 months 39.4%
  - Net working capital 28% (25) of invoicing

Continued strong activity in the mining industry



# Sandvik Machining Solutions

- Continued strong demand in Automotive, Aerospace, Energy and Engineering
- Record order intake and invoiced sales
- Increased profitability
  - EBIT 1,875 MSEK (1,535)
  - EBIT margin 24.6% (22.4)
- ROCE annualized quarter result 38.3%
  - ROCE reported rolling 12 months 34.8%
  - Net working capital 24% (22) of invoicing
- Seco Tools integration according to plan

Positive demand trend in the first quarter



# Sandvik Materials Technology

- Continued mixed demand
  - Strong demand in oil/gas
  - Weaker in consumer, electronics and low value added products
  
- Major order of 400 MSEK for steam generator tubes
  
- EBIT 349 MSEK (352)
  - EBIT margin 8.5% (8.4)
  - Metal price effect -50 MSEK
  
- ROCE annualized quarter result 10.0%
  - ROCE reported rolling 12 months n.a
  - Net working capital 32% (30) of invoicing

Continued mixed demand



# Sandvik Construction

- Stable demand trend
  - Improved demand in NAFTA and South America
  - Weaker in Asia
- EBIT 213 MSEK (119)
  - EBIT margin 8.7% (5.7)
- ROCE annualized quarter result 14.1%
  - ROCE reported rolling 12 months 2.5%
  - Net working capital 27% (29) of invoicing

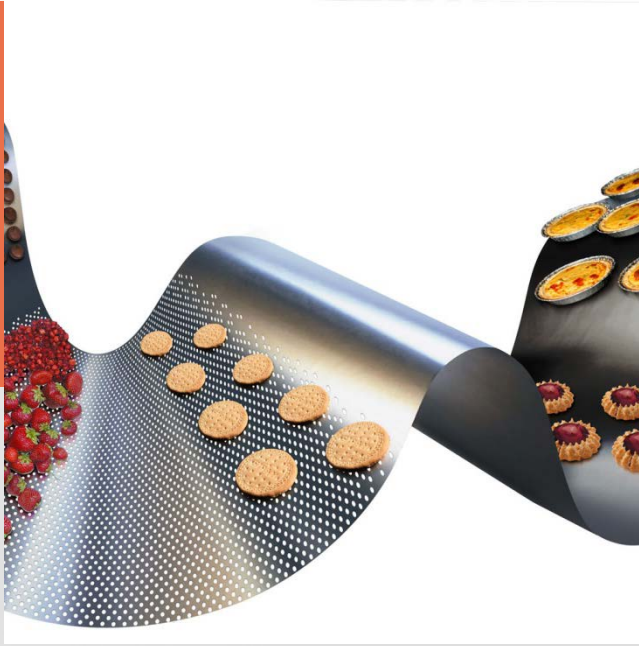
Stable demand



# Sandvik Venture

- **Stable market trend**
  - Positive demand trend for Sandvik Process Systems and Sandvik Hard Materials
- **EBIT 355 MSEK (228)**
  - EBIT margin 17.6% (12.7)
- **ROCE annualized quarter result 19.0%**
  - ROCE reported rolling 12 months 1.3%
  - Net working capital 34% (32) of invoicing
- **Sandvik Medical Solutions divested**

Stable demand



# Summary Q1 2012

- Record high order intake in the quarter
- Improved profitability
  - Cost reductions ahead of plan
- ROCE annualized quarter result 23.2%
  - ROCE reported rolling 12 months 16.6%
- New organization in place
  - Seco Tools integration running according to plan
  - Medical Solutions divested



# Q&A session

# Back-up slides

# Quarterly financials

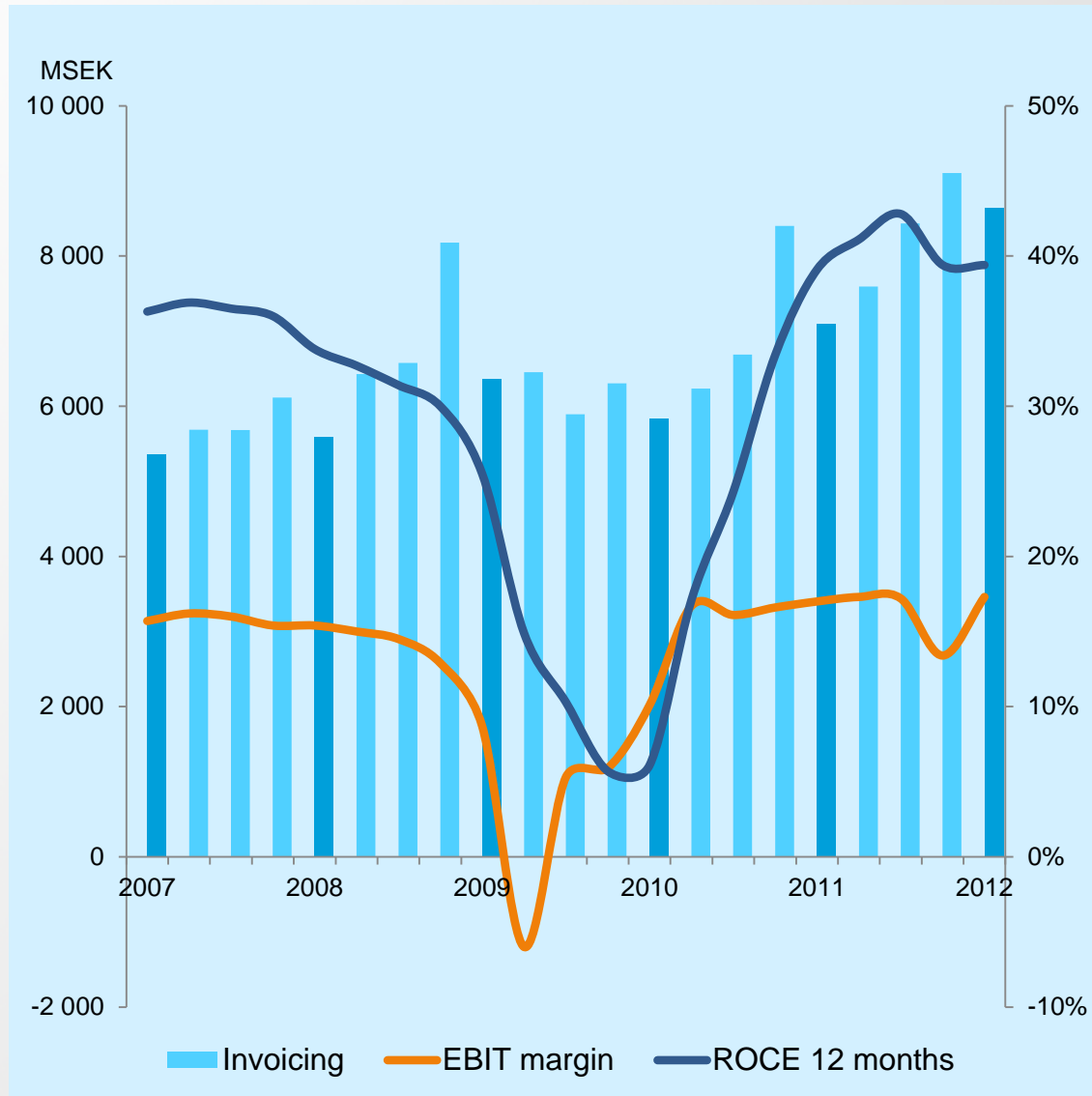
MSEK	Q1 2011	Q1 2012	VS Q1 2011
Order intake	24,901	28,894	+13%*
Invoicing	22,030	24,838	+10%*
EBIT	3,271	3,819	+17%
EBIT margin	14.8%	15.4%	-
Operating cash flow	+1,036	+1,099	+6%
Cash flow after investing activities	-87	+652	-%

\* Change in price/volume

# Sandvik Mining

## Q1 2012

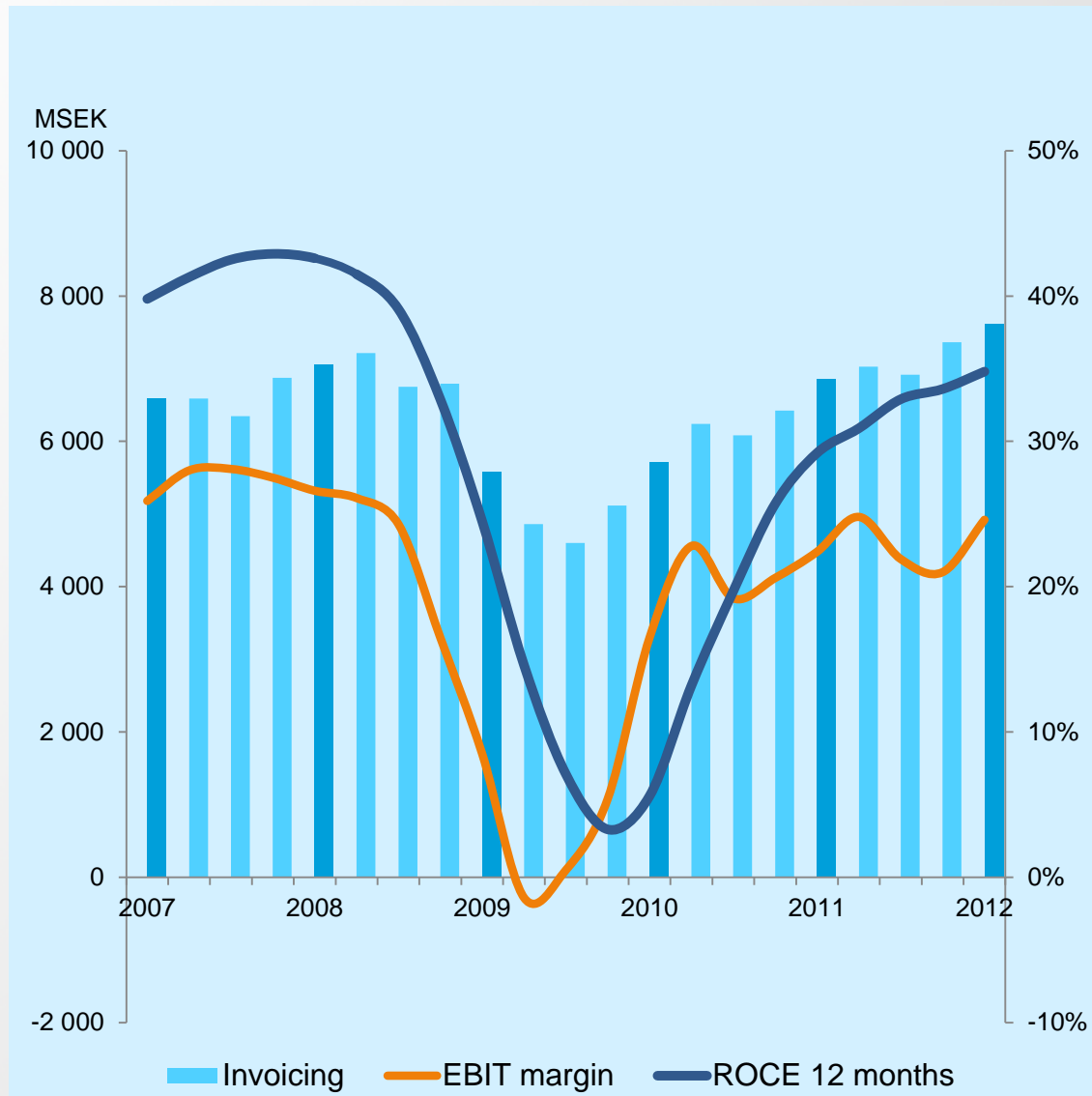
- Order intake 11,793 MSEK
- Invoicing 8,639 MSEK
- EBIT 1,494 MSEK
- ROCE 39.4%
- ROCE annualized quarter result 39.5%



## Sandvik Machining Solutions

### Q1 2012

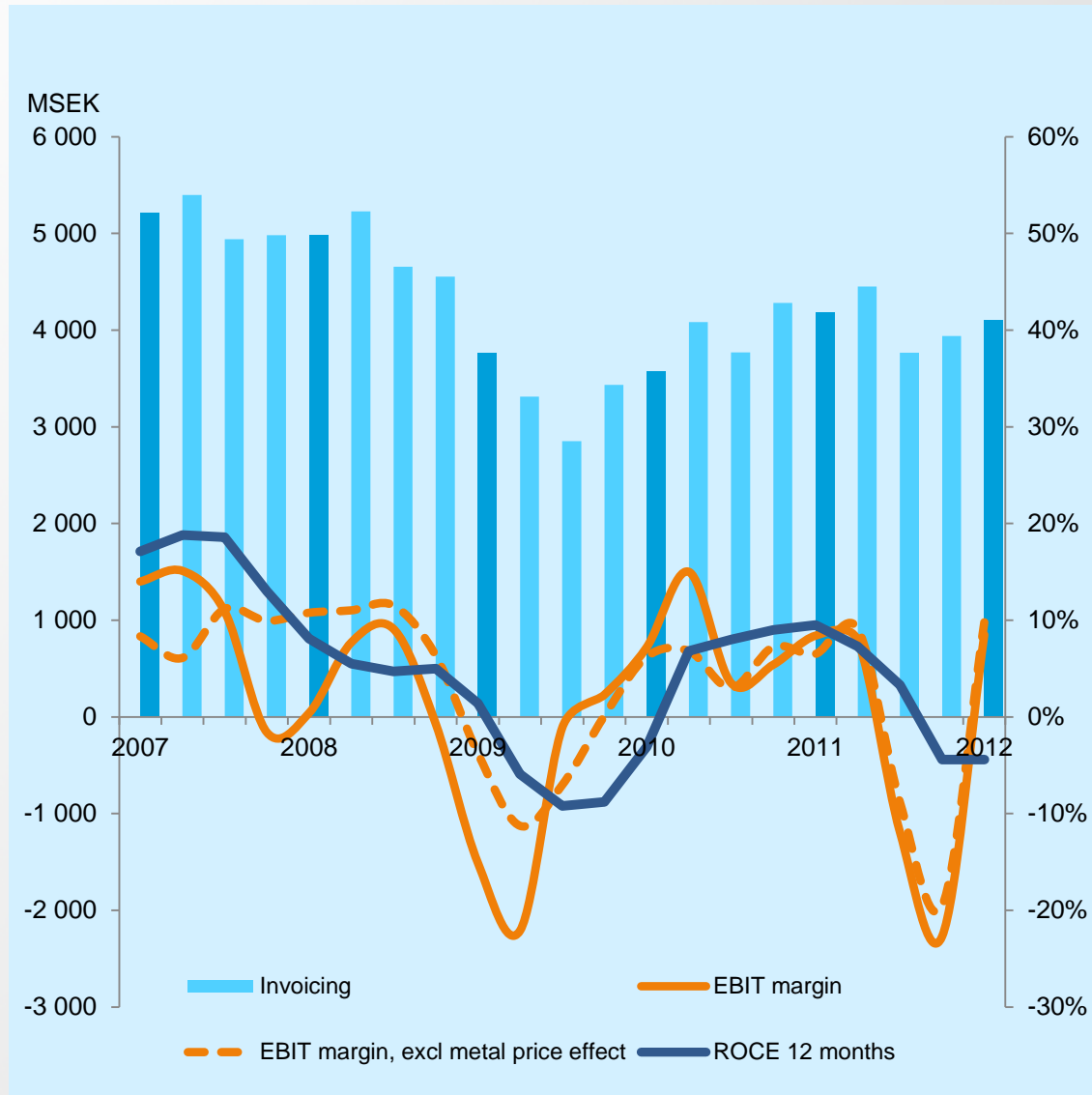
- Order intake 7,768 MSEK
- Invoicing 7,618 MSEK
- EBIT 1,875 MSEK
- ROCE 34.8%
- ROCE annualized quarter result 38.3%



# Sandvik Materials Technology

## Q1 2012

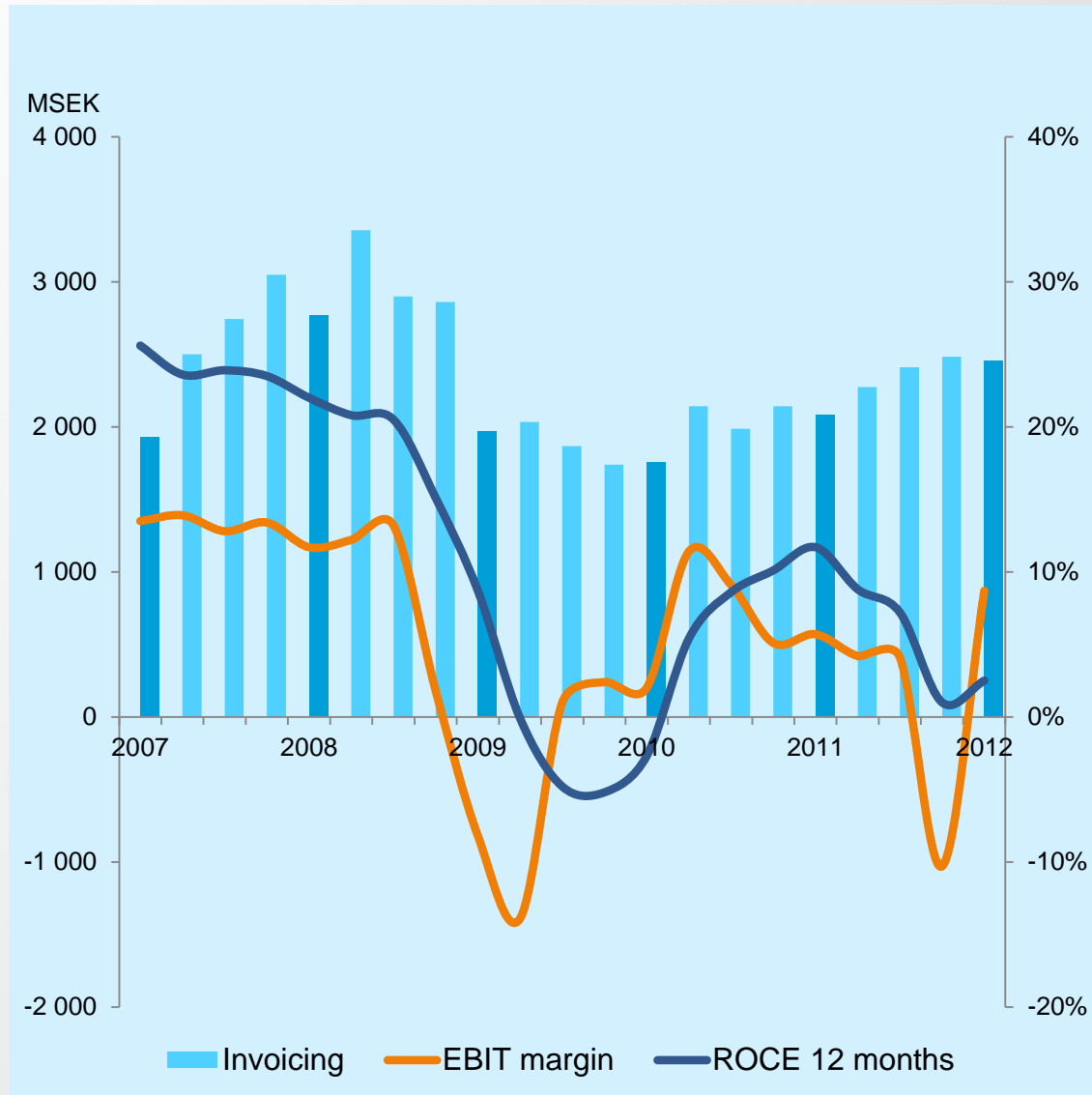
- Order intake 4,278 MSEK
- Invoicing 4,100 MSEK
- EBIT 349 MSEK
  - Adjusted for metal price effects, 399 MSEK, 9,8% of invoicing
- ROCE n.a
  - ROCE annualized quarter result 10.0%



## Sandvik Construction

### Q1 2012

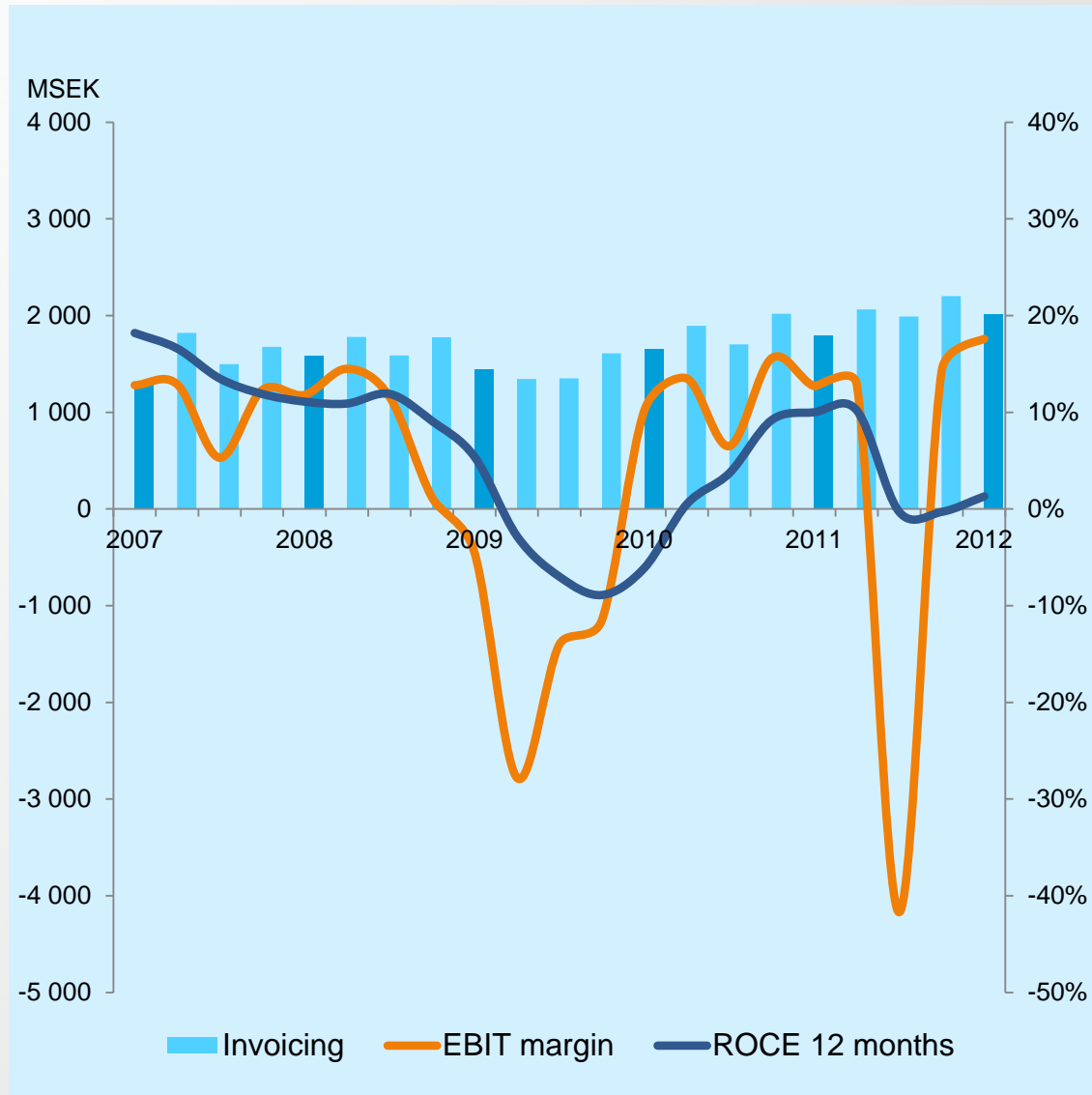
- Order intake 2,622 MSEK
- Invoicing 2,453 MSEK
- EBIT 213 MSEK
- ROCE 2.5%
  - ROCE annualized quarter result 14.1%



# Sandvik Venture

## Q1 2012

- Order intake 2,432 MSEK
- Invoicing 2,015 MSEK
- EBIT 355 MSEK
- ROCE 1.3%
  - ROCE annualized quarter result 19.0%



# Income statement

MSEK	Q1 2011		Q4 2011		Q1 2012	
Invoiced sales	22,030		25,104		24,838	
Cost of goods sold	-13,736		-17,060		-15,571	
Gross profit	8,294	38%	8,044	32%	9,267	37%
Admin, sales and R&D costs	-4,892		-6,077		-5,240	
Other operating income and expenses	-131		-318		-208	
Operating profit (EBIT)	3,271	15%	1,649	7%	3,819	15%
Net financial items	-416		-509		-448	
Profit after financial items	2,855	13%	1,140	5%	3,371	14%
Profit for the period	2,126	10%	803	3%	2,505	10%

# Bridge analysis

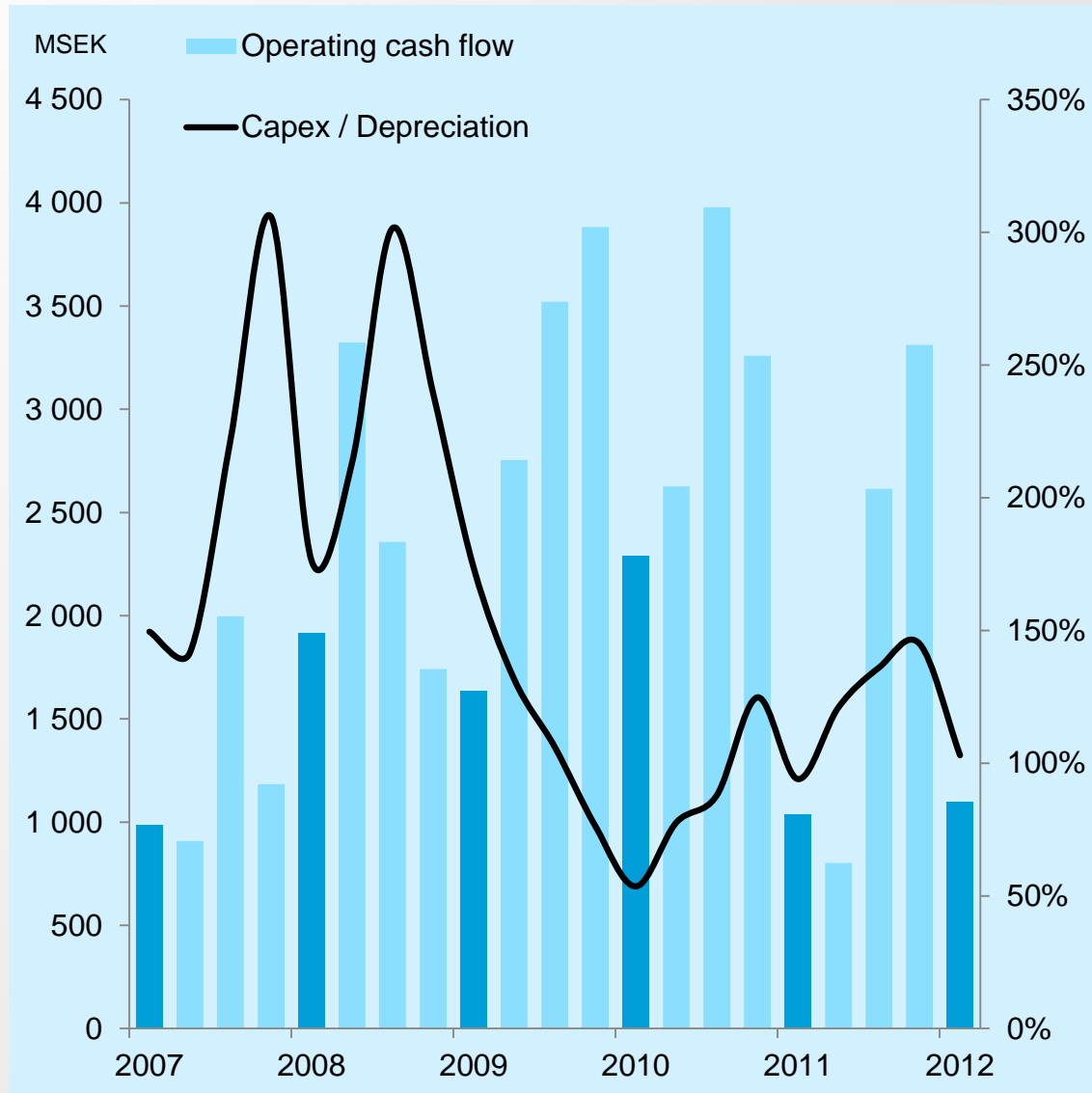
MSEK	Q1 2011	Price/ volume/ productivity	Currency	Structure, one-offs	Q1 2012
<b>Sandvik Mining</b>					
Invoiced sales	7,103	+1,325	+200	0	8,639
EBIT	1,208	+300	0	-25	1,494
EBIT margin	17.0%	+23%			17.3%
<b>Sandvik Machining Solutions</b>					
Invoiced sales	6,862	+625	+125	0	7,618
EBIT	1,535	+250	+60	+25	1,875
EBIT margin	22.4%	+40%			24.6%
<b>Sandvik Materials Technology</b>					
Invoiced sales	4,179	+100	+75	-250	4,100
EBIT	352	+100	+40	-150	349
EBIT margin	8.4%	+100%			8.5%

# Bridge analysis

MSEK	Q1 2011	Price/ volume/ productivity	Currency	Structure, one-offs	Q1 2012
<b>Sandvik Construction</b>					
Invoiced sales	2,080	+225	+50	+100	2,453
EBIT	119	+100	0	-25	213
EBIT margin	5.7%	+44%			8.7%
<b>Sandvik Venture</b>					
Invoiced sales	1,797	+175	+25	0	2,015
EBIT	228	+75	0	+40	355
EBIT margin	12.7%	+43%			17.6%

## Cash flow

- Cash flow from operating activities 1,099 MSEK



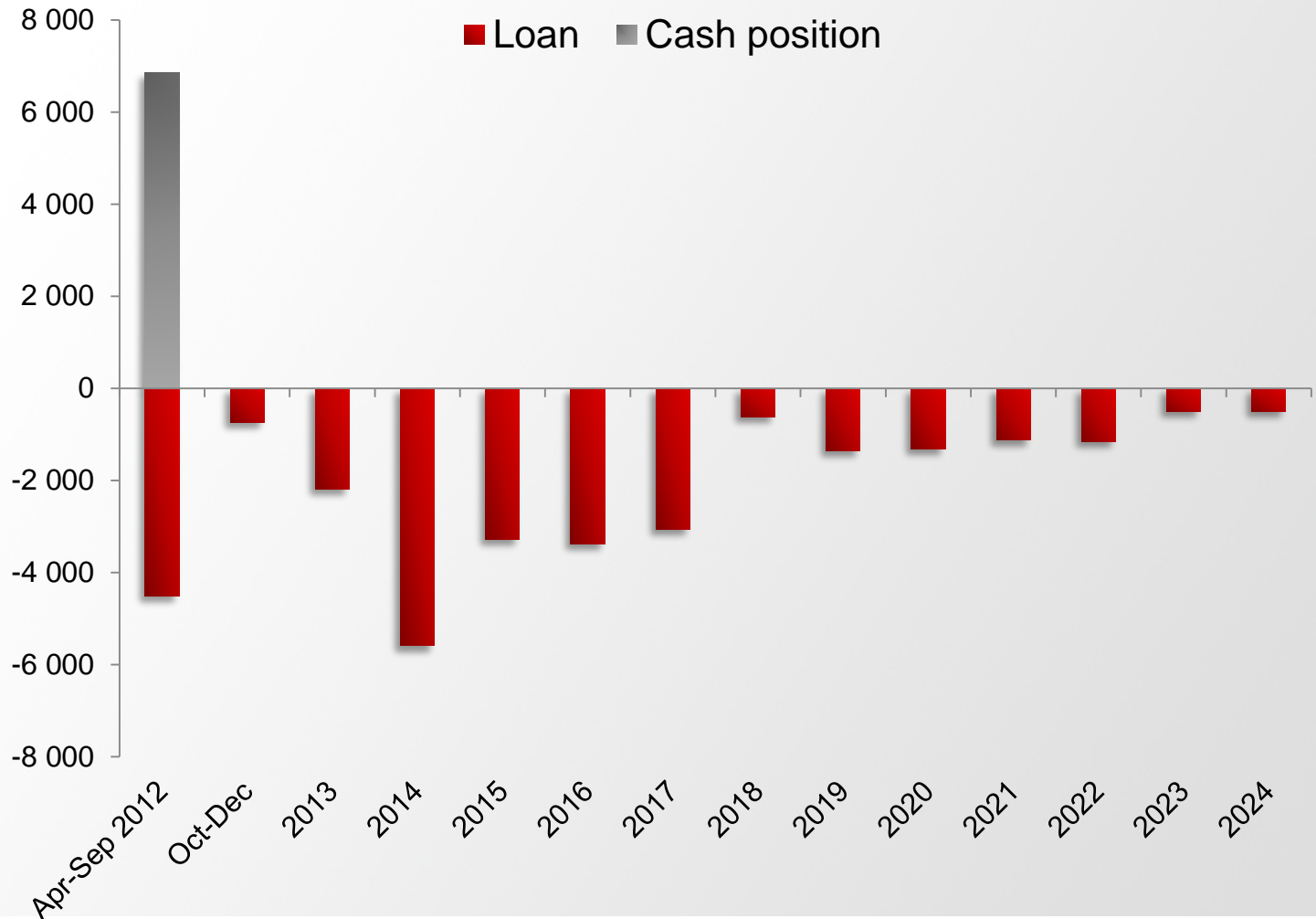
# Balance sheet

MSEK	Q1 2011	Q4 2011	Q1 2012	vs Q1 2011
Intangible fixed assets	12,757	11,807	11,619	-9%
Tangible fixed assets	24,574	25,702	25,404	+3%
Financial fixed assets	5,986	6,835	6,504	+9%
Inventories	22,550	26,077	27,361	+21%
Receivables	20,619	21,979	23,981	+16%
Cash and cash equivalents	4,680	5,592	6,854	+46%
Assets held for sale	-	747	-	
<b>Total assets</b>	<b>91,166</b>	<b>98,739</b>	<b>101,723</b>	+12%
Total equity	34,966	33,891	35,960	+3%
Interest-bearing liabilities	28,899	33,073	33,584	+16%
Non-interest-bearing liabilities	27,301	31,667	32,179	+18%
Liabilities held for sale	-	108	-	
<b>Total equity and liabilities</b>	<b>91,166</b>	<b>98,739</b>	<b>101,723</b>	+12%

# Loan and duration profile

		Amount MSEK	Average duration
<b>Long term</b>	<b>83%</b>		
US Private Placement		5,697	8 years
Fin institutions, EIB, NIB		2,963	3 years
Swedish MTN		9,730	5 years
European MTN		5,713	2 years
Bank loans		479	2 years
Share swap		1,353	4 years
<b>Short term</b>	<b>17%</b>		
Commercial paper		0	0 months
Swedish MTN		1,385	4 months
Bank loans		3,939	3 months
<b>Total</b>		<b>31,258</b>	<b>4 years</b>
Cash position		6,854	
Revolving Credit Facility		10,746	

## Loan maturity profile



# Financial key figures

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Cash flow from operations, MSEK	1,036	802	2,614	3,312	1,099
Capex, MSEK	897	1,204	1,248	1,585	1,056
ROCE, 12 months	19.8%	19.9%	18.6%	16.0%	16.6%
ROE, 12 months	24.5%	24.6%	21.7%	17.3%	18.2%
Net debt/equity ratio	0.7	0.9	0.8	0.8	0.7
EPS, SEK 12 months	6.41	6.58	5.78	4.63	5.00

# Guidance

## Metal price effects

Given currency rates, stock levels and metal prices at end of March, a slightly negative EBIT effect is expected for Q2.

### 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 Q2.

### 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.”