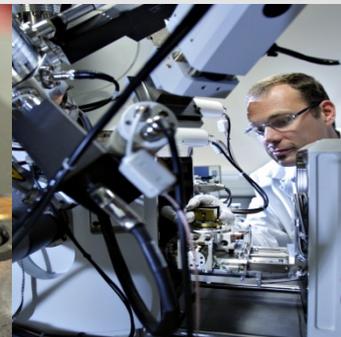


Q1

Sandvik

Interim report on first quarter 2013

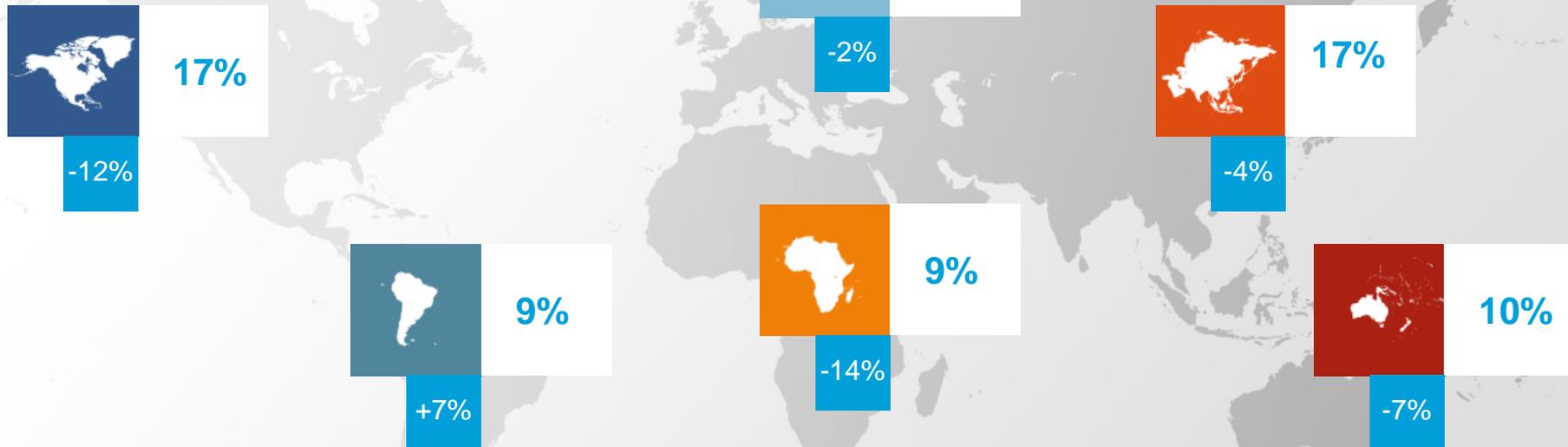
Adapting to mixed demand



Quarterly highlights

- Mixed demand
 - Lower market activity for Sandvik Mining
 - Slightly positive development for Sandvik Machining Solutions, Sandvik Materials Technology and Sandvik Construction
 - Stable demand for Venture
- EBIT 2,557 MSEK, 11.6%
 - Adjusted EBIT 2,697 MSEK, 12.2%
 - Nonrecurring charges of -140 MSEK
 - Currency effects -350 MSEK
 - ROCE 12 month rolling 17.6%
- Cash flow +2,207 MSEK
 - Inventory reduction
 - Increased accounts receivable

Invoicing by market



 Share of Group total

 Invoicing (p/v) Q1 2013, change compared with Q1 2012

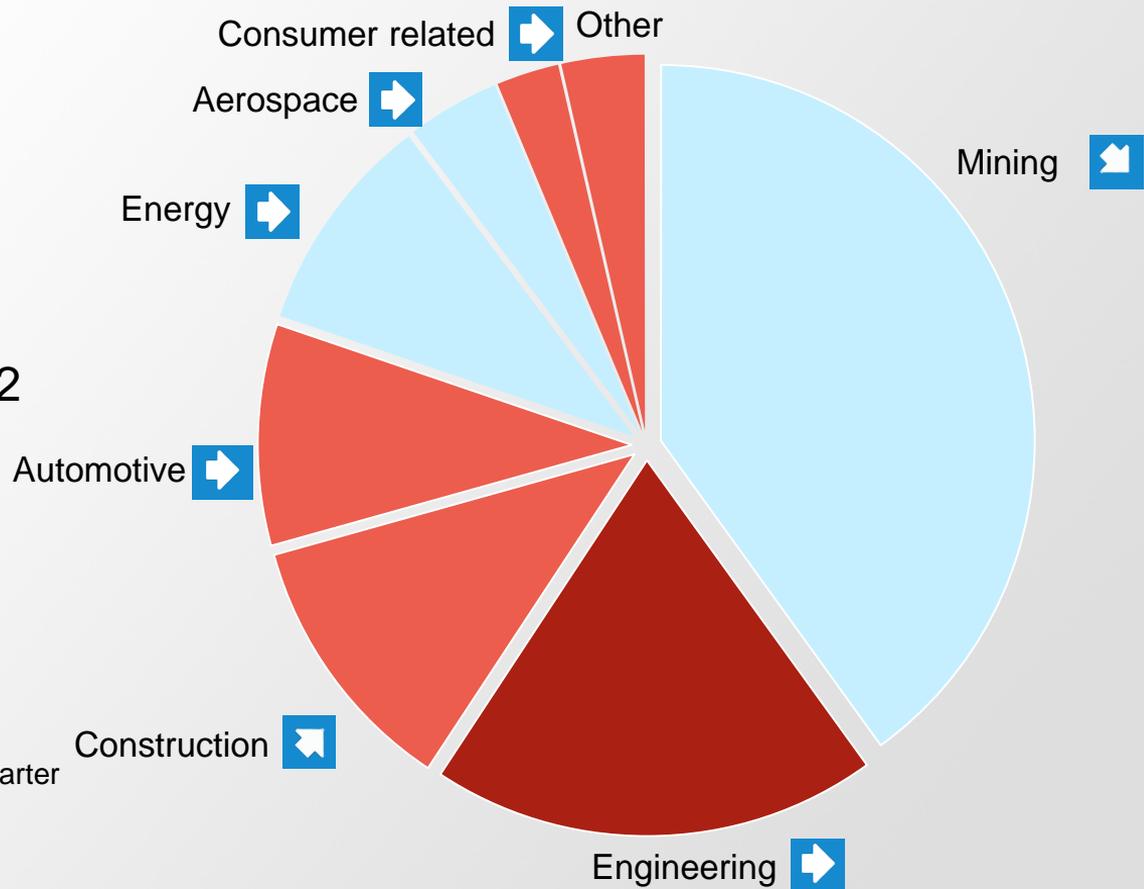
Customer segments

Invoicing growth vs. Q1 2012



Demand trend compared to preceding quarter

Pie chart representing share of invoicing 2012

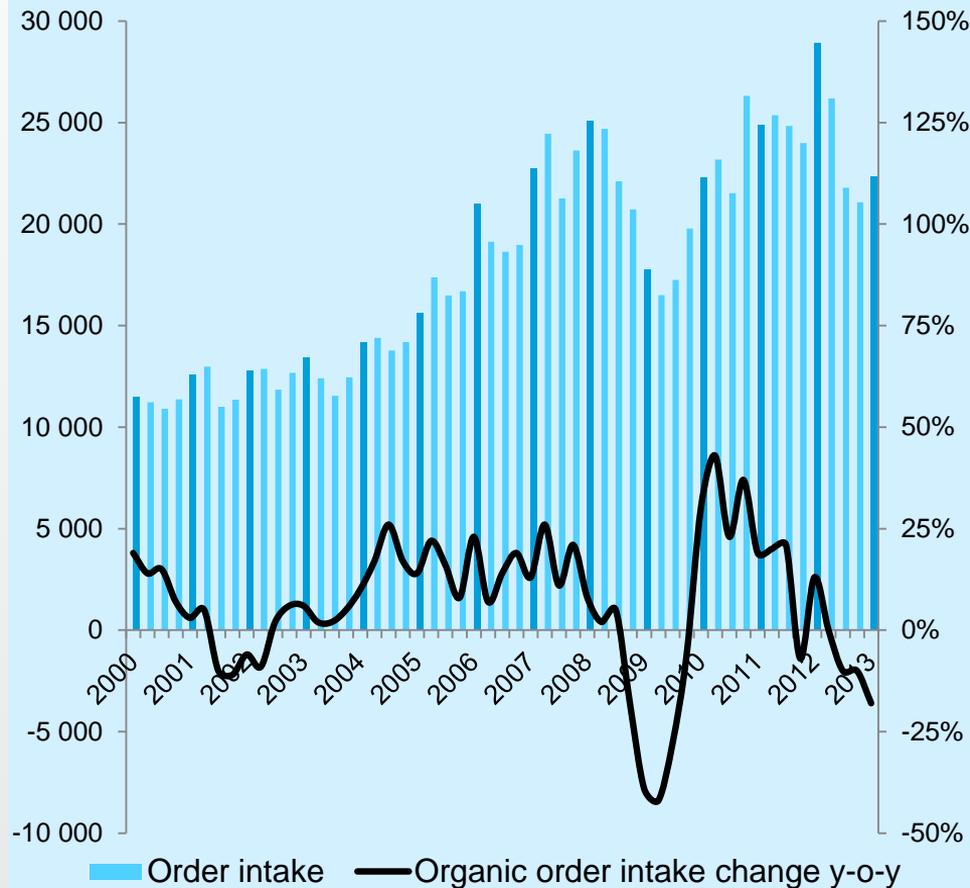


Order intake

Order intake 22,339 MSEK

- Major mining systems orders 950 MSEK

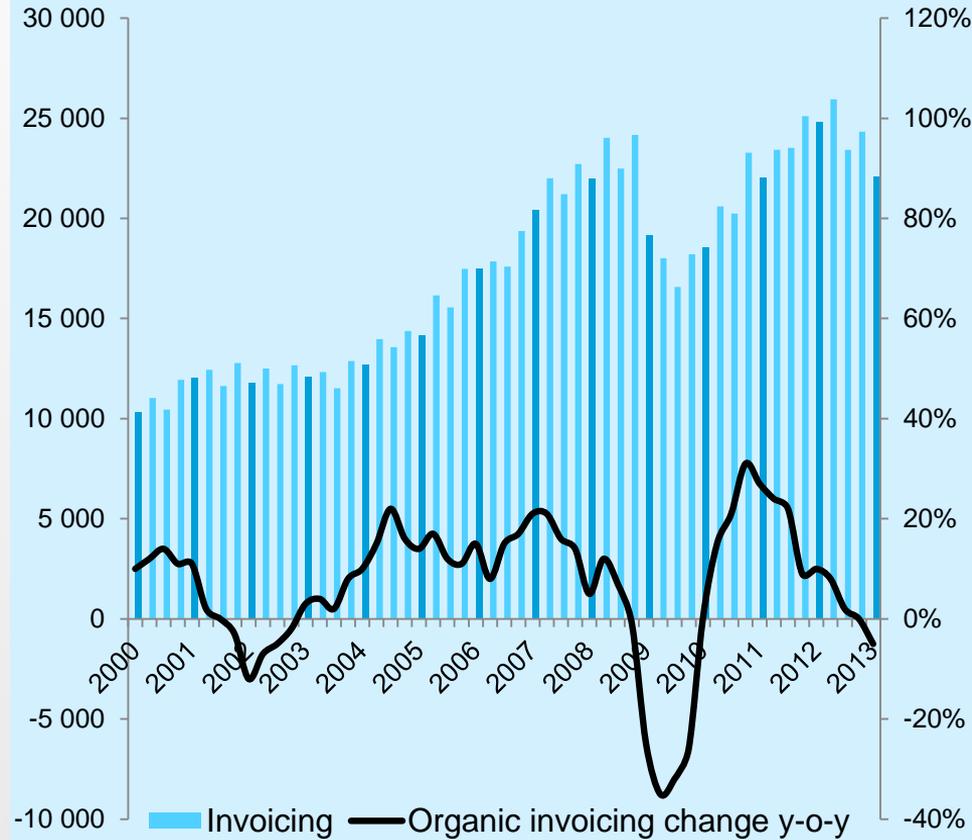
Change p/v -18%



Invoicing

Invoicing 22,098 MSEK

Change p/v -5%



EBIT and ROCE

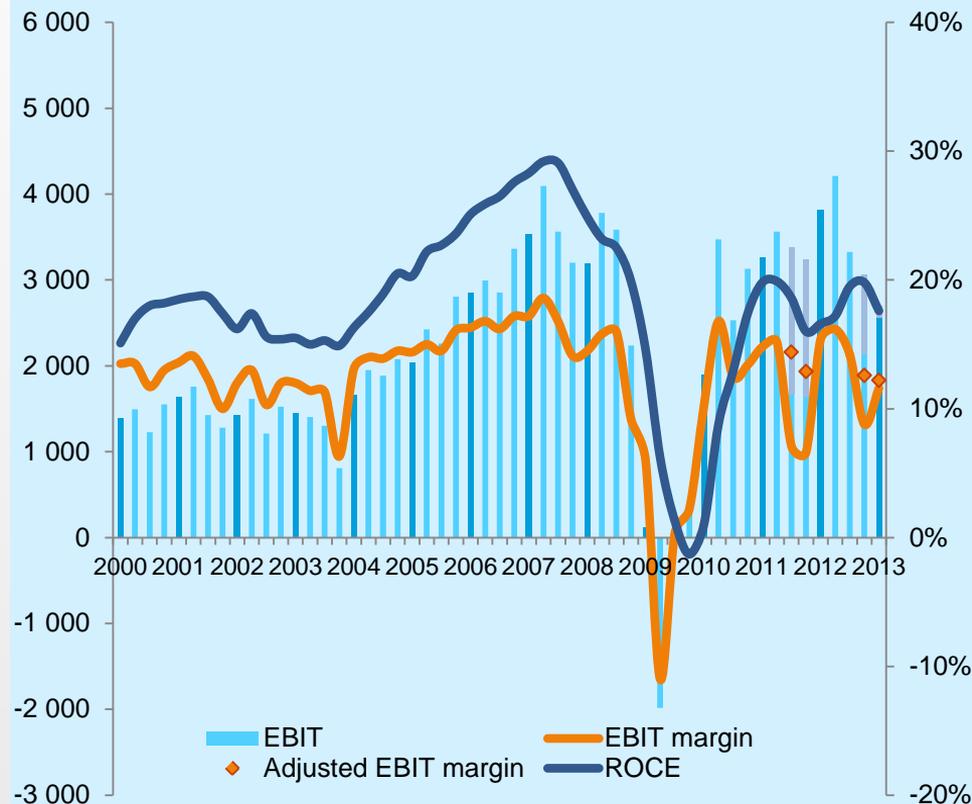
Q1 2013

Reported

- EBIT 2,557 MSEK
- EBIT margin 11.6%
- ROCE reported rolling 12 months 17.6%

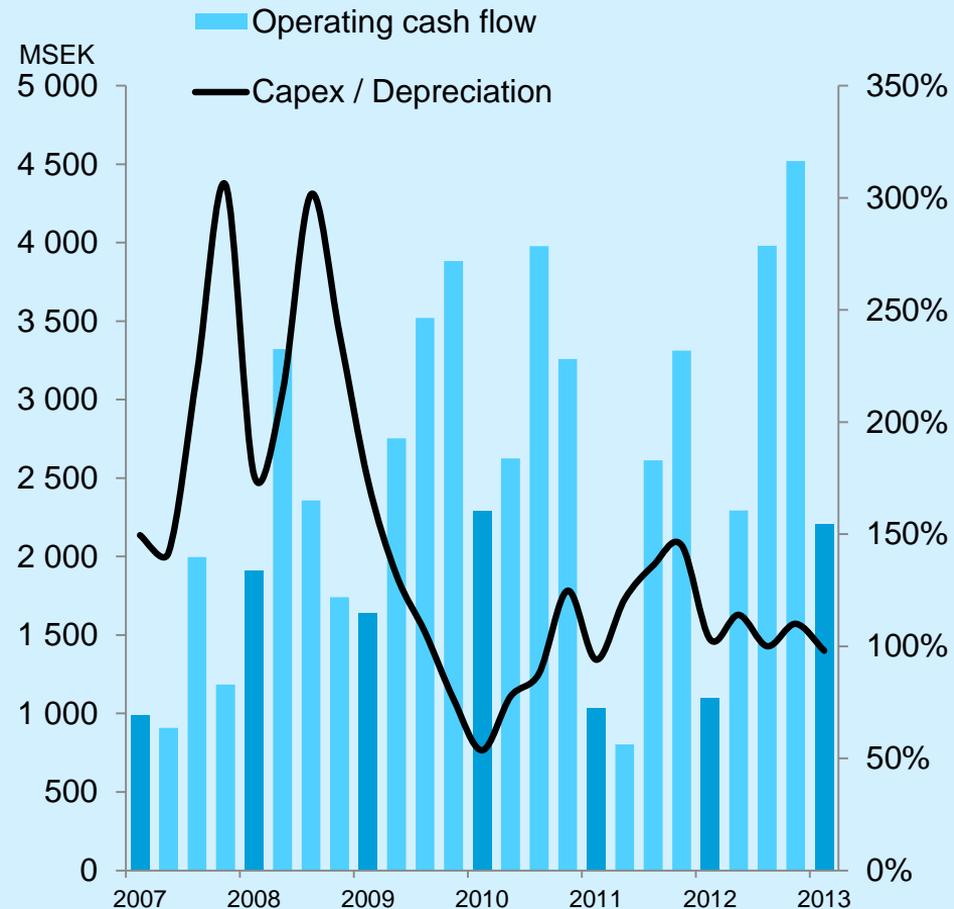
Adjusted for nonrecurring charges

- EBIT 2,697 MSEK
- EBIT margin 12.2%

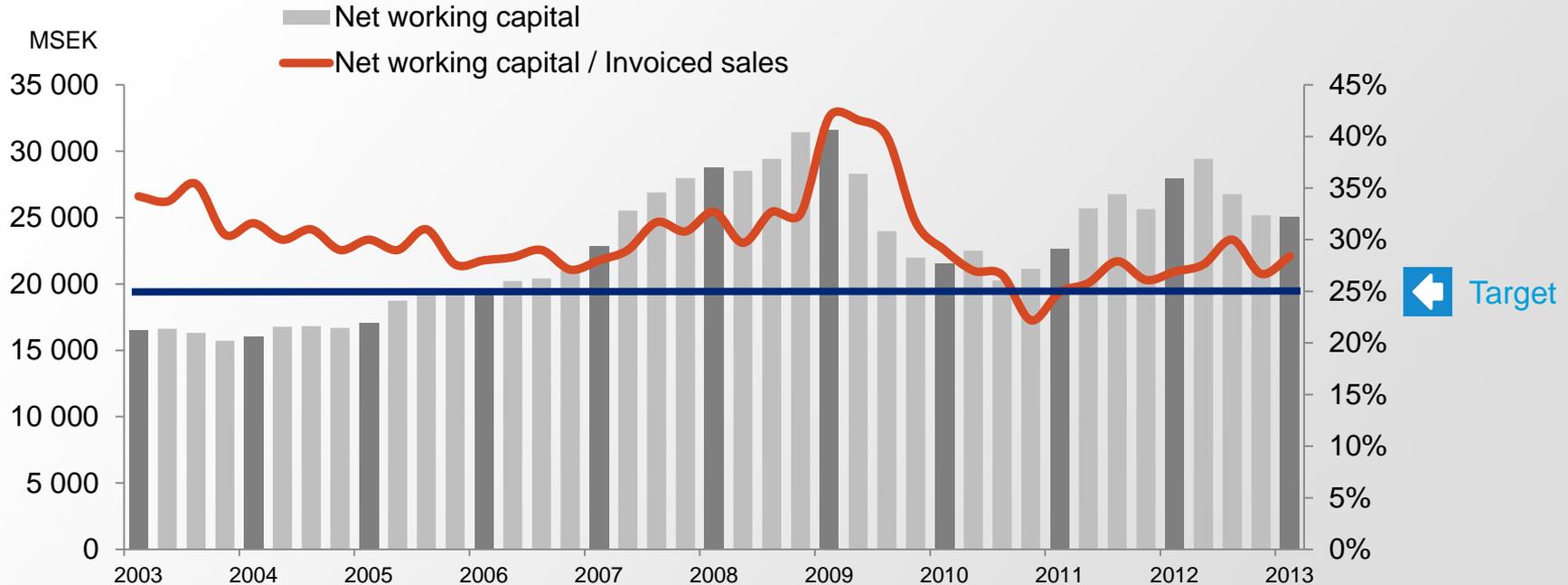


Cash flow

Cash flow from operating activities +2,207 MSEK



Net Working Capital



Bridge analysis

MSEK	Q1 2012	Price/ volume/ Productivity	Currency	Structure, one-offs*	Q1 2013
Sandvik Group					
Invoiced sales	24,838	-1,110	-1,320	-310	22,098
EBIT	3,819	-940	-350	+25	2,557
EBIT margin	15.4%	-85%			11.6%

* Includes metal price effects

Sandvik Mining

- Low activity in the mining industry
 - Increased order intake compared to the preceding quarter
 - Stable demand for rock tools, parts and services
 - Weak demand for new equipment and systems due to lower metal prices
- EBIT 1,211 MSEK (1,494)
 - EBIT margin 14.6% (17.3)
 - Currency effects of -140 MSEK
- ROCE reported rolling 12 months 36.4%
 - Net working capital 29% (28) of invoicing

Challenging
market
conditions



Sandvik Machining Solutions

- Slightly increased market activity
 - Stable demand on a high level in Aerospace
 - Fewer working days in the quarter
- Adjusted EBIT margin 18.4% (24)
 - Nonrecurring charges -140 MSEK
 - Currency effects -125 MSEK
 - Lower production volumes
- ROCE reported rolling 12 months 27.5%
 - Net working capital 27% (24) of invoicing

Slightly
increased
market activity



- **Sandvik Materials Technology**

- Adjusted EBIT excluding metal price effects 373 MSEK, 10.7%
- Continued successful turnaround
- Business conditions showing some signs of improving

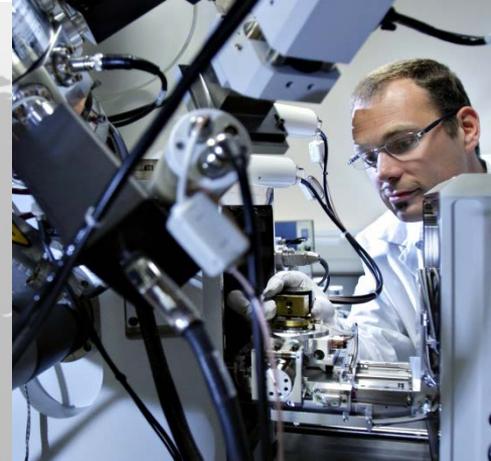
- **Sandvik Construction**

- Improved market conditions from weak levels
- EBIT 103 MSEK, 5.0%
- Earnings affected by large share of system deliveries

- **Sandvik Venture**

- EBIT 116 MSEK, 9.1%
- Significantly lower Tungsten prices
- Plant closure in Diamond Innovations

Slightly
increased
demand



Operational Excellence

Emil Nilsson, CFO



Continuous drive for operational excellence

- Leveraging the Group-wide global skill and scale
- Leveraging the Group-wide global reach
- Industrialize best-practice sharing across the company
- Simplify, automate and make processes more scalable
- Reuse of tools and methods

**BUSINESS FOCUS - QUALITY -
SIMPLICITY - SPEED - EFFICIENCY**





Investment rationale

Long term benefits

- More focused on the key value drivers
- More cost competitive
- More capital efficient
- More agile and adaptive to market changes
- More flexible, transparent and fast moving
- More motivated work force



Initiatives started since 2011

Examples

- Group approach to sourcing of indirect materials
- IT infrastructure outsourcing
- Establishing Global Finance Shared Services
- Globalizing and consolidating within HR
- Consistent performance management processes
- R&D cooperation across the Business Areas



Significant opportunities ahead

- Supply chain alignment and improvement
- Best cost country sourcing
- Footprint optimization
- IT landscape modernization
- Simplification of governance structures

Multi-year investments required to achieve sustainable benefits

Summary Q1 2013

- Mixed demand trend
- Continued inventory reduction
- Significant headwind from currency
- Continued drive for operational excellence



Q&A



Back-up slides

Quarterly financials

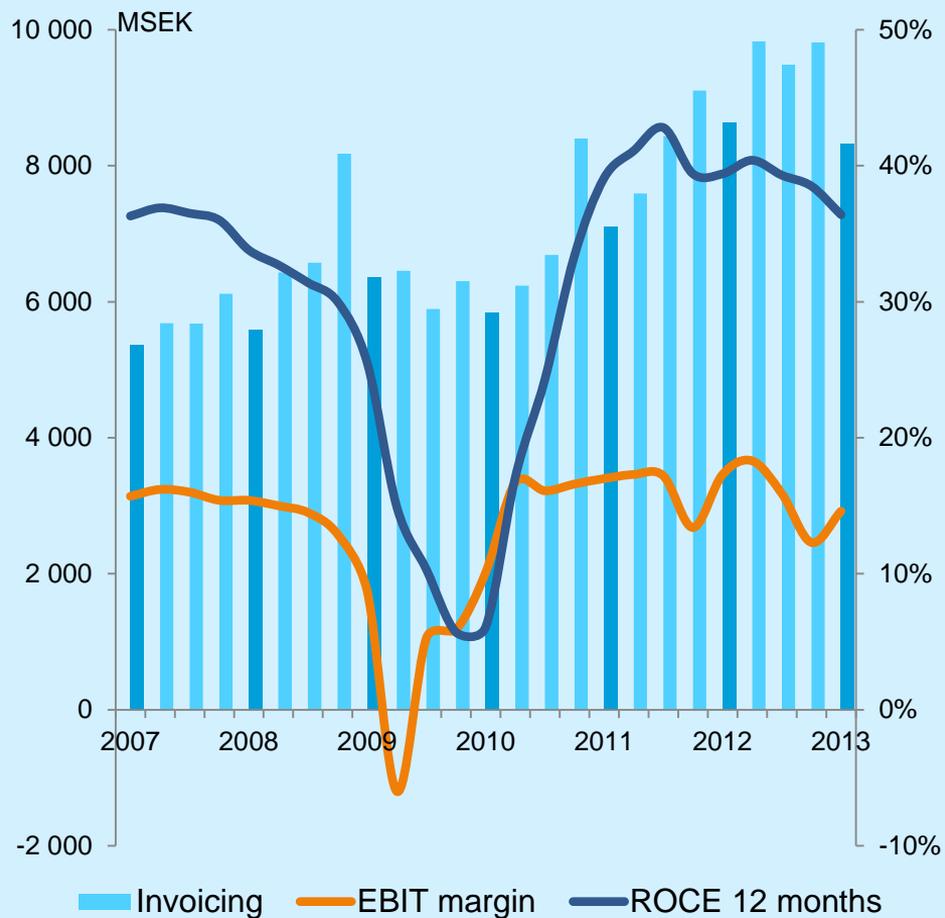
MSEK	Q1 2012	Q1 2013	VS Q1 2012
Order intake	28,894	22,339	-18%*
Invoicing	24,838	22,098	-5%*
EBIT	3,819	2,557	-33%
EBIT margin	15.4%	11.6%	-
Operating cash flow	+1,099	+2,207	+101%
Cash flow after investing activities	+652	+1,449	+122%

* Change in price/volume

Sandvik Mining

Q1 2013

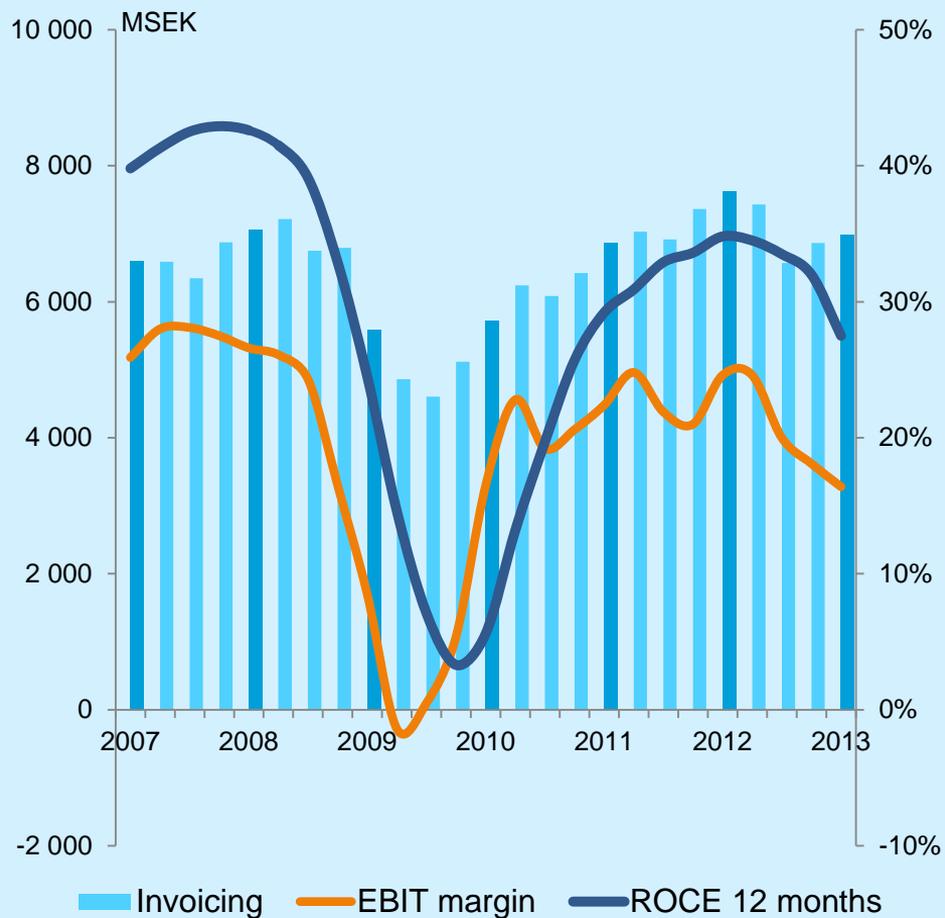
- Order intake 7,683 MSEK
- Invoicing 8,313 MSEK
- EBIT 1,211 MSEK
- ROCE 36.4%



Sandvik Machining Solutions

Q1 2013

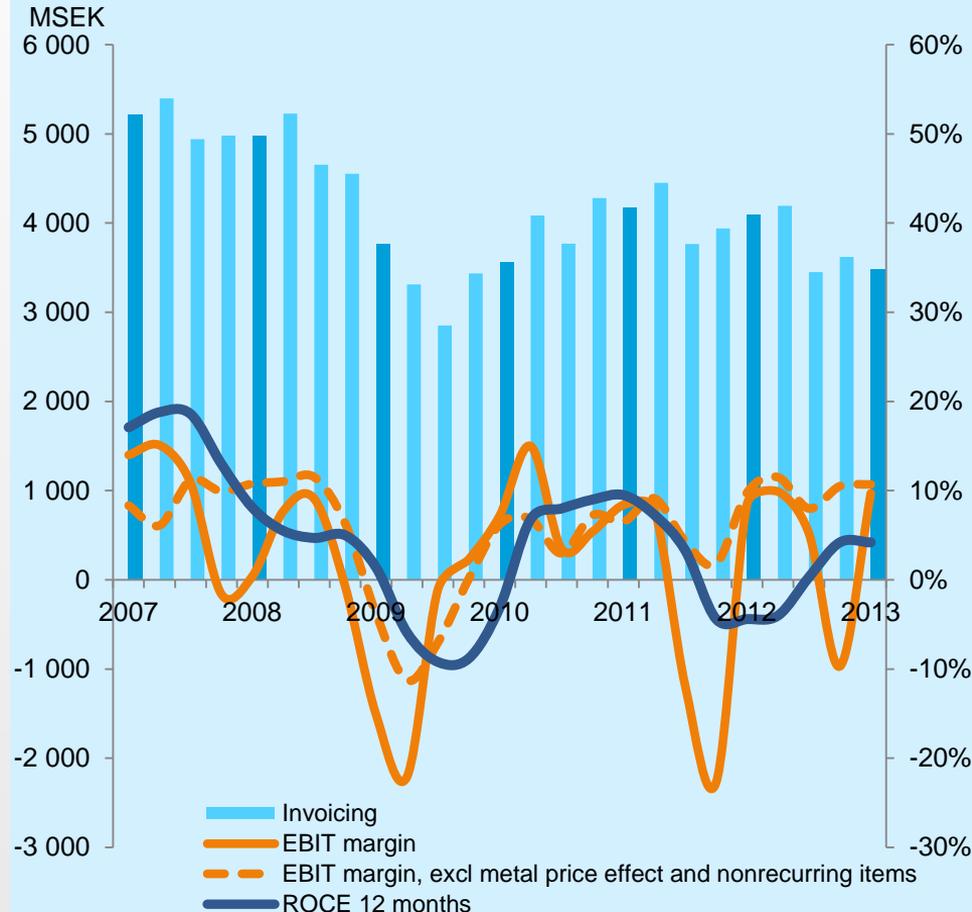
- Order intake 7,147 MSEK
- Invoicing 6,977 MSEK
- EBIT 1,141 MSEK
- ROCE 27.5%



Sandvik Materials Technology

Q1 2013

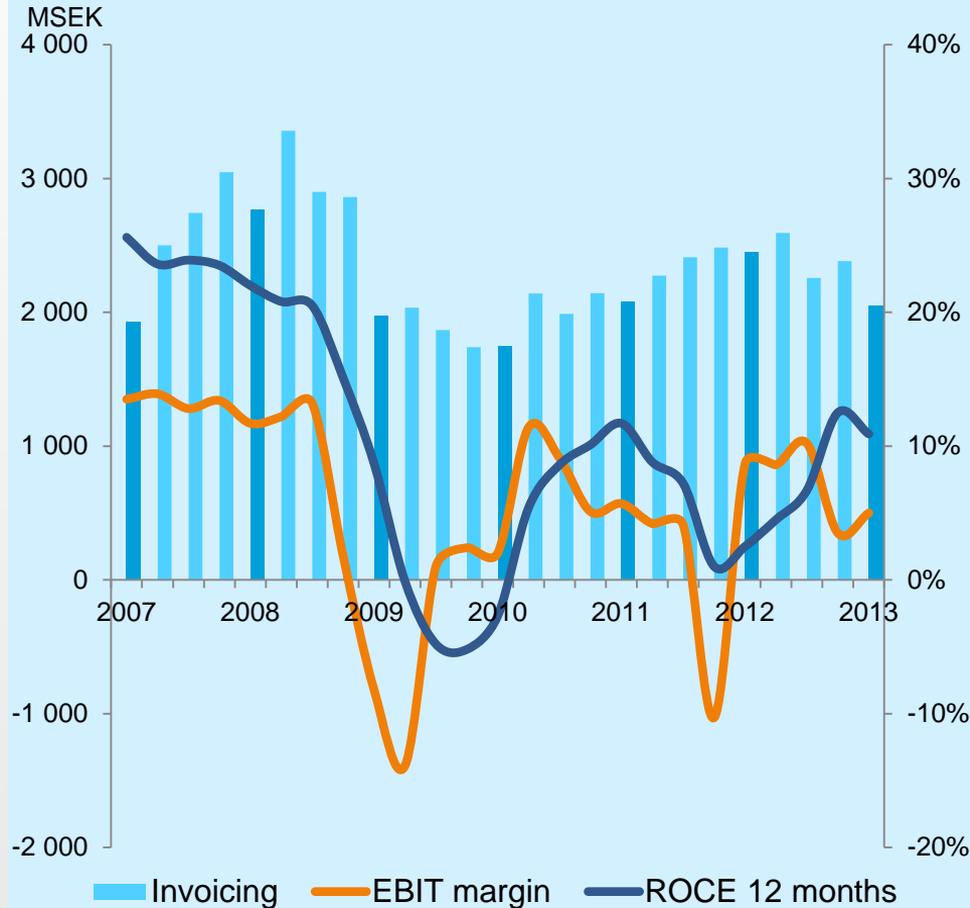
- Order intake 3,771 MSEK
- Invoicing 3,484 MSEK
- EBIT 337 MSEK
 - Adjusted for metal price effects, 373 MSEK, 10.7% of invoicing
- ROCE 4.2%



Sandvik Construction

Q1 2013

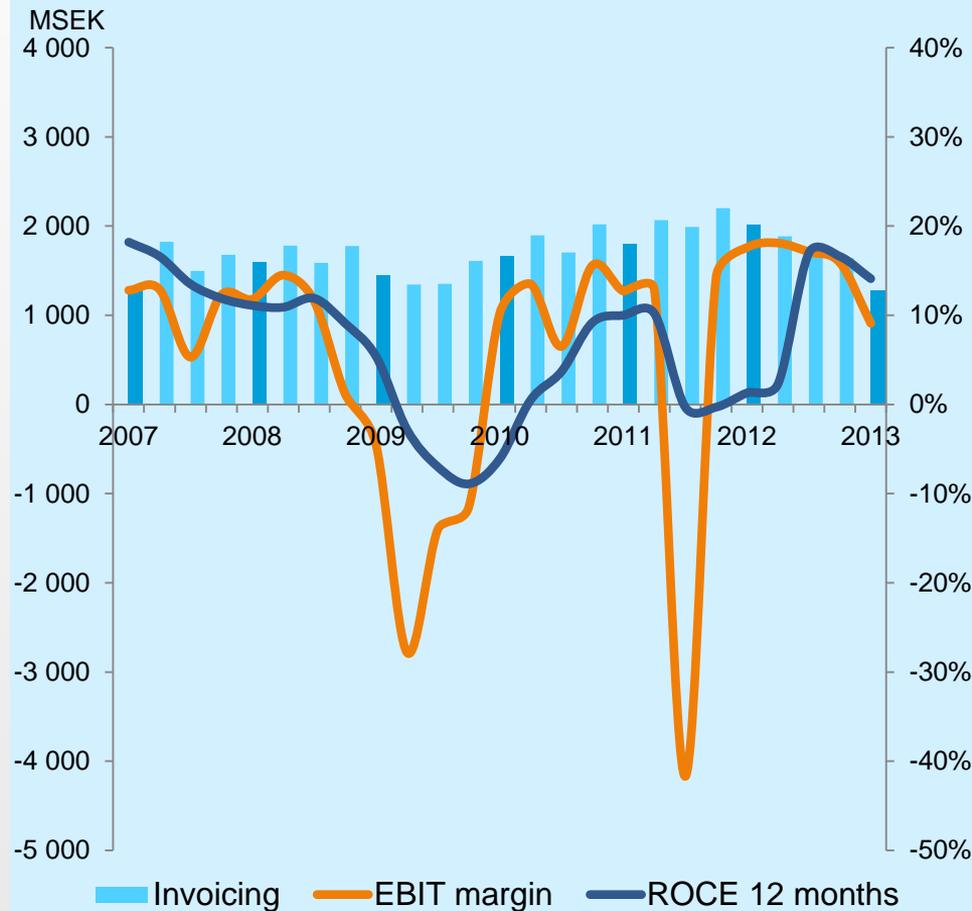
- Order intake 2,454 MSEK
- Invoicing 2,046 MSEK
- EBIT 103 MSEK
- ROCE 10.9%



Sandvik Venture

Q1 2013

- Order intake 1,284 MSEK
- Invoicing 1,271 MSEK
- EBIT 116 MSEK
- ROCE 14.1%



Income statement

MSEK	Q1 2012		Q4 2012		Q1 2013	
Invoiced sales	24,838		24,328		22,098	
Cost of goods sold	-15,571		-16,797		-14,528	
Gross profit	9,267	37%	7,531	31%	7,570	34%
Admin, sales and R&D costs	-5,240		-5,472		-4,872	
Other operating income and expenses	-208		+75		-141	
Operating profit (EBIT)	3,819	15%	2,134	9%	2,557	12%
Net financial items	-448		-507		-479	
Profit after financial items	3,371	14%	1,627	7%	2,078	9%
Profit for the period	2,505	10%	726	3%	1,477	7%

Bridge analysis

MSEK	Q1 2012	Price/volume/ productivity	Currency	Structure, one-offs	Q1 2013
Sandvik Mining					
Invoiced sales	8,639	+290	-615	0	8,313
EBIT	1,494	-140	-140	0	1,211
EBIT margin	17%	N/A			15%
Sandvik Machining Solutions					
Invoiced sales	7,956	-585	-375	-20	6,977
EBIT	1,911	-505	-125	-140	1,141
EBIT margin	24%	-86%			16%
Sandvik Materials Technology					
Invoiced sales	4,100	-345	-120	-150	3,484
EBIT	349	0	-30	+15	337
EBIT margin	9%	N/A			10%

Bridge analysis

MSEK	Q1 2012	Price/volume/ productivity	Currency	Structure, one-offs	Q1 2013
Sandvik Construction					
Invoiced sales	2,453	-260	-145	0	2,046
EBIT	213	-75	-35	0	103
EBIT margin	9%	-29%			5%
Sandvik Venture					
Invoiced sales	1,678	-200	-60	-140	1,271
EBIT	319	-200	0	0	116
EBIT margin	19%	-100%			9%

Balance sheet

MSEK	Q1 2012	Q4 2012	Q1 2013	vs Q1 2012
Intangible fixed assets	11,619	11,423	11,213	-3%
Tangible fixed assets	25,404	25,516	25,174	-1%
Financial fixed assets	6,262	6,267	5,807	-7%
Inventories	27,361	25,508	24,680	-10%
Receivables	23,981	21,512	22,088	-8%
Cash and cash equivalents	6,854	13,829	13,708	+100%
Total assets	101,481	104,055	102,670	+1%
Total equity	33,457	32,536	33,399	-
Interest-bearing liabilities	35,881	40,999	39,330	+10%
Non-interest-bearing liabilities	32,143	30,520	29,941	-7%
Total equity and liabilities	101,481	104,055	102,670	+1%

Loan and duration profile

Long term
78%
Amount MSEK
Average duration

US Private Placement	5,534	7 years
Fin institutions, EIB, NIB	5,051	5 years
Swedish MTN	6,681	5 years
European MTN	5,327	12 years
Bank loans	2,188	2 years
Share swap	1,552	2 years

Short term
22%

Commercial paper	0	0 months
Swedish MTN	1,693	2 months
European MTN	4,697	11 months
Bank loans	854	0 months

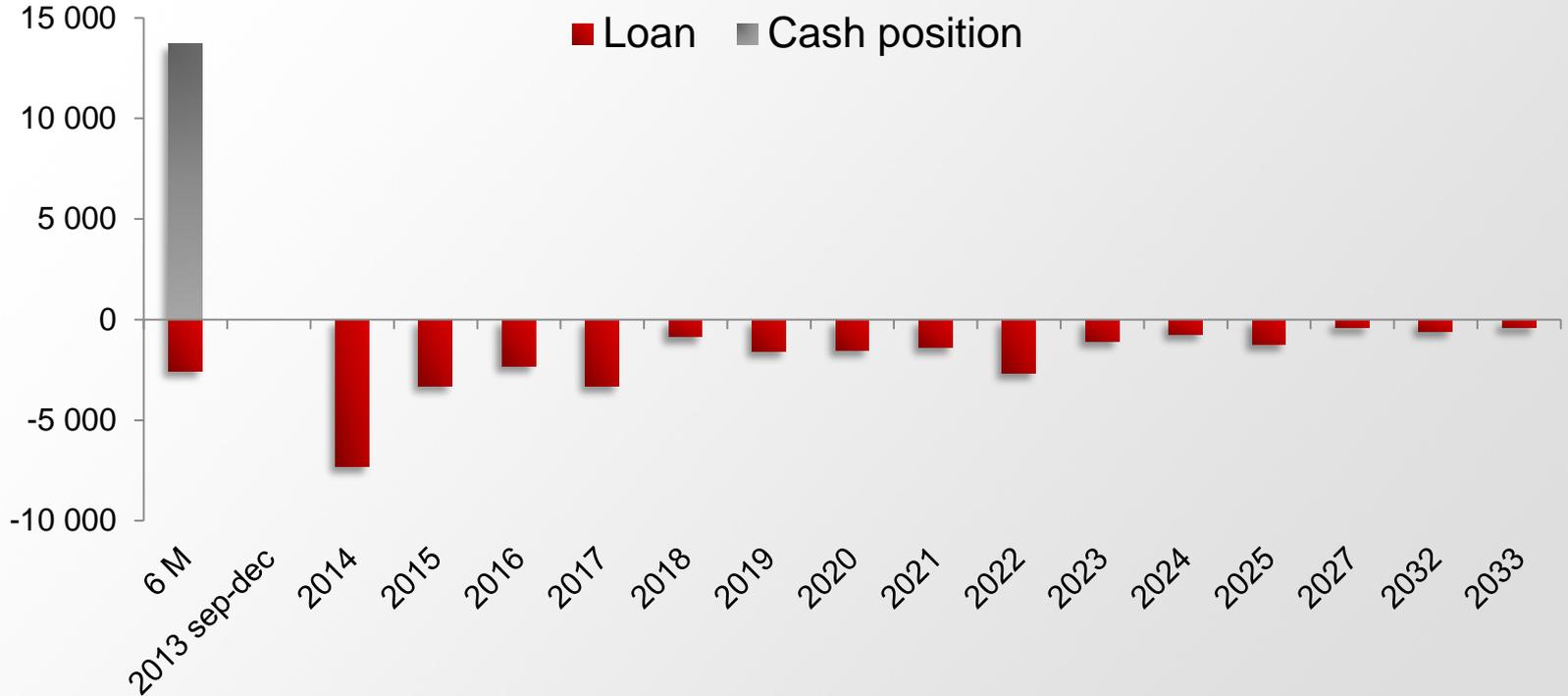
Total
33,578
5 years

Cash position

13,702

Unutilized revolving credit facilities, 10,429 MSEK

Loan maturity profile



Financial key figures

MSEK	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Cash flow from operations	1,099	2,293	3,979	4,520	2,207
Capex	1,056	1,114	949	1,429	898
ROCE, 12 months	16.6%	17.2%	19.5%	19.8%	17.6%
ROE, 12 months	19.7%	21.5%	25.7%	25.3%	21.8%
Net debt/equity ratio	0.7	0.8	0.7	0.6	0.5
EPS, SEK 12 months	5.00	5.47	6.60	6.51	5.65

Guidance

Metal price effects

Given currency rates, stock levels and metal prices at end of March, a negative EBIT effect of about -50 MSEK is expected for Q2 2013.

Net financial items

Net financial items is estimated to be about 2.0 bn SEK for 2013.

Currency effects

Given currency rates at quarter end the effect on EBIT would be about -350 MSEK for Q2 2013.

Capex

Capex is estimated to be about 5 bn SEK for 2013.

Tax rate

The tax rate is estimated to about 25-27% for 2013.

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 affected by other factors 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.”