



Press Release

Annual General Meeting of Sandvik AB

Shareholders in Sandvik Aktiebolag are hereby called to the Annual General Meeting to be held on Thursday, 26 April 2007, at 5:00 p.m. at Jernvallen, Sandviken, Sweden.

RIGHT TO PARTICIPATE AND NOTIFICATION

Shareholders who wish to participate in the Meeting must be recorded in the share register maintained by VPC AB (the Swedish Central Security Depository) as of Friday 20 April 2007 and notify Sandvik AB of their intention to participate in the Meeting not later than 3:00 p.m. Friday 20 April 2007.

Notification to participate in the Meeting shall be made to Sandvik AB, Legal Affairs, SE-811 81, Sandviken, Sweden, or by telephone, +46 (0)26-26 09 40 weekdays between 9 a.m.-12:00 noon and 1:00 p.m.- 4:00 p.m., by telefax, +46 (0)26-26 10 86, or via the Internet on the Group's website (www.sandvik.com). Shareholders whose shares are registered in the name of a trustee must temporarily have re-registered the shares in their own name at VPC not later than Friday 20 April 2007 to be entitled to participate in the Meeting. Note that this procedure also applies to shareholders who utilize bank shareholder deposit accounts and/or trade via the Internet.

Please provide name, personal registration or corporate registration number, address and telephone number and information regarding any assistants when providing notification. The information provided in notification will be data processed and used solely for the 2007 Annual General Meeting. If participation is by proxy, the proxy must be forwarded prior to the Annual General Meeting.

AGENDA

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Election of one or two persons to countersign the minutes.
5. Approval of the agenda.
6. Examination of whether or not the Meeting has been duly convened.
7. a) Presentation of the Annual Report, Auditors' Report and the Group Accounts and Auditors' report for the Group.
b) Speech by the President.
8. Resolution in respect of adaptation of the Profit and Loss Account, Balance Sheet and Consolidated Profit and Loss Account and Consolidated Balance Sheet.
9. Resolution in respect of discharge from liability of the Board of Directors and the President for the period to which the accounts relate.
10. Resolution in respect of allocation of the Company's profit in accordance with the adopted Balance Sheet and resolution on record day.
11. Determination of the number of Directors and Deputy Directors. In conjunction with this, the work of the Nomination Committee will be presented.
12. Determination of Directors' fees and Auditors' fees.
13. Election of Directors and Chairman of the Board.
14. Proposal for the Nomination Committee, etc. for the Annual General Meeting 2008.
15. The Board of Directors' proposal for guiding principles for remuneration to Chief Executives.
16. The Board of Directors' proposal for resolution on an automatic redemption procedure, including
 - a) change of the Articles of Association,
 - b) share split,
 - c) reduction of the share capital for repayment to the shareholders, and
 - d) increase of the share capital by way of a bonus issue, etc.
17. Closing of the Meeting

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DECISION Directors proposes a dividend of SEK 3.25 per share. Wednesday 2 May 2007 is proposed as the record day. If the Meeting approves this proposal, it is estimated that the dividend payments will be distributed by VPC on Monday 7 May 2007.

Points 2, 11 - 14 – The Nomination Committee's proposal for Chairman of the Meeting, number of Board members, fees to the Board and auditors, election of the Board and Chairman of the Board and Nomination Committee etc. for the Annual General Meeting 2008

The Nomination Committee has been comprised of Carl-Olof By, Industrivärden, Chairman, Curt Källströmer, Handelsbankens Pensionsstiftelse och Pensionskassa, Staffan Grefbäck, Alecta Pensionsförsäkring, Marianne Nilsson, Swedbank Robur and Sandvik's Chairman of the Board Clas Åke Hedström.

The Nomination Committee proposes the following:

- Point 2 - Attorney Sven Unger as Chairman of the Meeting.
- Point 11 - Eight Board members and no deputies.
- Point 12 - Fees to the Board and auditors:
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| • Board member not employed by the Company | SEK 425.000 |
| • Chairman of the Board | SEK 1.275.000 |
| • Vice-chairman | SEK 850.000 |
| • Board member elected by the General Meeting who is a member of the Audit Committee | SEK 100.000 |
| • Board member elected by the General Meeting who is a member of the Remuneration Committee | SEK 50.000 |
| • Fees to auditors | as invoiced |
- Point 13 - Re-election of Board members Georg Ehnrooth, Sigrun Hjelmquist, Fredrik Lundberg, Egil Myklebust, Hanne de Mora, Anders Nyrén, Lars Pettersson and Clas Åke Hedström. Clas Åke Hedström is proposed as Chairman of the Board.
- Point 14 - The Company is to have a Nomination Committee comprised of one representative from each of the four largest shareholders in terms of votes and the Chairman of the Board of Directors (who is to be the convening authority). At the formation of the Nomination Committee, the shareholding in the Company, based on information from VPC AB on the last banking day of August 2007, is to determine which the largest shareholders in terms of votes are. The composition of the Nomination Committee is to be announced as soon as it is appointed. The Chairman of the Nomination Committee is to be the member representing the largest shareholder in terms of votes. The mandate period of the Nomination Committee is until the composition of the next Nomination Committee is announced.
- The Nomination Committee is to prepare a proposal for the Chairman of the Meeting, a proposal for the number of Board members, a proposal for remuneration to Board members and auditors, a proposal for the Board and Chairman of the Board, a proposal for the number of auditors and election of auditors and also a proposal for the appointment of a Nomination Committee prior to the Annual General Meeting 2009 and its assignment.
- In the event that a member leaves the Nomination Committee prior to the work of the Committee is completed, a representative from the same shareholder may replace the leaving member, if deemed necessary by the Nomination Committee. In the event that a shareholder represented in the Nomination Committee significantly has reduced its holding of shares in the Company, the member may resign and, if deemed appropriate by the Nomination Committee, a representative from the shareholder next in line in terms of size may be provided an opportunity to enter. If the shareholding in the Company is otherwise significantly changed before the Nomination Committee's assignment is completed, a change in the composition of the Nomination Committee may take place, to the extent that the Nomination Committee deems appropriate.
- The Company is to pay reasonable costs connected to the work of the Nomination Committee. The Committee is not to receive any remuneration.

Point 15 - The Board of Directors' proposal for a resolution on guidelines for remuneration to Chief Executives

The Board's proposal for a resolution on guidelines for remuneration to Chief Executives is formulated to ensure that the Sandvik Group from a global perspective can offer market level and competitive remuneration that attracts and retains qualified employees in Sandvik's Group Executive Management.

The remuneration to Group Executive Management comprises fixed salary, annual variable salary and long-term variable salary. The parts are intended to create a well-balanced remuneration and benefits program that reflects the individual's performance, responsibility and the Groups' earnings trend.

The fixed salary, which is individual and differentiated based on the individual's responsibility and performance, is determined based on market principles and is revised annually.

Receipt of annual variable salary is conditional upon fulfilment of goals determined annually. The goals are related to the Company's earnings and to measurable goals within the individual's area of responsibility. The maximum payment of annual variable salary for Group Executive Management is 50-75% of the annual fixed salary.

The long-term variable salary is conditional upon fulfilment of measurable goals, determined by the Board, pertaining to certain key figures that create shareholder value linked to the Company's growth, profitability and capital efficiency during a three-year period. The maximum payment of long-term variable salary for Group Executive Management is 45-50% of the annual fixed salary.

Previous years, the long-term variable salary has consisted in personnel options. The Personnel options of 2003 and 2004 are still exercisable. The programs are based on an annual allotment of personnel options of Sandvik shares. On 13 March 2007 the number of outstanding options to the Group Executive Management amounts to 40,500. The Company's cost for the options is calculated to approximately SEK 5.5 million.

Group Executive Management's other benefits shall be comparable to what is considered reasonable in relation to generally accepted market practice. The benefits comprise pension, car, housing, healthcare insurance and severance pay.

The pension benefits for Group Executive Management are based solely on fixed salary and shall be defined-contribution or defined-benefit. Normally, the retirement age is 62. The President has a retirement age of 60.

Severance payments are made, normally, on notice of termination by Sandvik. Any other earned income is deducted from severance pay, which is between 12 to 18 months' salary for persons under age 55 and between 18 to 24 months for persons over 55. No severance payment is made when the employee gives notice of termination.

The Board is to be entitled to deviate from the guidelines resolved on by the Annual General Meeting, if there is a particular reason for this in the individual case.

The sphere of senior executives covered by the proposal is the President and other members of the Group Executive Management.

Point 16 - The Board of Directors' proposal for resolution on an automatic redemption procedure

In view of the Company's strong development in recent years, and assessments regarding the Company's strength and positioning for the future, the Board of Directors proposes, that the Annual General Meeting resolves on an automatic redemption of shares. According to this procedure each share is to be divided into two shares (share split 2:1), of which one share will be redeemed at SEK 3 and, as a result, a total amount of approximately SEK 3,6 billion will be distributed to the shareholders. To make it possible to distribute funds in an easy and time-efficient way, the Board of Directors further proposes that a bonus issue be implemented by a transfer of SEK 711,772,305 from the Company's non-restricted equity to the share capital. In principal, the proposal includes the following.

A. Change of the Articles of Association

The Board of Directors proposes that the wording of the Articles of Association be changed, so that the permitted range of the share capital is reduced from a minimum of 1,200 million Swedish kronor (SEK 1,200,000,000) and a maximum 4,800 million Swedish kronor (SEK 4,800,000,000) to a minimum of 700 million Swedish kronor (SEK 700,000,000) and a maximum of 2,800 million Swedish kronor (SEK 2,800,000,000) (Section 4).

B. Share split

The Board of Directors proposes that the quotient value of the share (the share capital divided by the number of shares) is changed by way of a share split, so that each share be divided into two shares, of which one is to be named redemption share in the VPC system and be redeemed in the manner described under Section C. below. The record day at VPC AB (the Swedish Central Security Depository) for implementation of the share split is to be 22 May 2007.

C. Reduction of the share capital for repayment to the shareholders

The Board of Directors proposes that the Annual General Meeting resolves that the share capital of the Company be reduced for repayment to the shareholders by SEK 711,772,305 (the reduction amount) by way of redemption of 1,186,287,175 shares, each share with a quotient value of SEK 0.60. The shares that are to be redeemed are the shares which, after implementation of the share split in accordance with Section B. above, are named redemption shares in the VPC system, whereby the record day for the right to receive redemption shares according to Section B. above is to be 22 May 2007.

For each redeemed share a redemption price of SEK 3 is to be paid in cash, of which SEK 2.40 exceeds the quotient value of the share. In addition to the reduction amount of SEK 711,772,305, a total amount of SEK 2,847,089,220 will be distributed, by use of the Company's non-restricted equity. Payment for the redeemed shares is to be made as early as possible, however not later than ten banking days after the Swedish Companies Registration Office's registration of all resolutions pursuant to Sections A. – D.

After implementation of the reduction of the share capital, the Company's share capital will amount to SEK 711,772,305.

D. Increase of the share capital by way of a bonus issue

The Board of Directors further proposes that the Annual General Meeting resolves that the Company's share capital be increased by way of a bonus issue, by SEK 711,772,305 to SEK 1,423,544,610 by a transfer of SEK 711,772,305 from the non-restricted equity. No new shares are to be issued in connection with the increase of the share capital.

Majority requirements

Resolutions by the Annual General Meeting pursuant to Sections A. – D. above are to be adopted as one single resolution. To be valid, the General Meeting's resolution must be supported by shareholders holding at least two thirds of both the votes cast and the shares represented at the meeting.

Finally, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Company's President to make the small adjustments of the resolutions pursuant to Sections A. – D. above that may be required in connection with the registration of the resolutions by the Swedish Companies Registration Office or VPC AB.

DOCUMENTATION

The Annual report and Auditors' report, the Nomination Committees proposal for Chairman of the Meeting, number of Board members, remuneration to the Board and the auditors, election of Board and Chairman of the Board and the Nomination Committee etc. for the Annual General Meeting 2008, the Board's proposal for a resolution on guidelines for remuneration to Chief Executives and the Board's complete proposal for a resolution on an automatic redemption procedure are available two weeks prior to the Meeting at Sandvik AB and on the Company's website, www.sandvik.com. The documentation will be sent without charge to the shareholders who so request.

PROGRAM FOR SHAREHOLDERS

Registration for the General Meeting will commence at 2:00 p.m., with speeches from 2:30 p.m.

Sandviken in March 2007

SANDVIK AKTIEBOLAG (publ)

The Board of Directors