



Press Release

Annual General Meeting of Sandvik Aktiebolag

Shareholders in Sandvik Aktiebolag are convened to the Annual General Meeting to be held on Tuesday, 3 May 2011, at 5:00 p.m. at Göransson Arena, Sättragatan 15 Sandviken, Sweden.

RIGHT TO PARTICIPATE AND NOTIFICATION

Shareholders who wish to participate in the Meeting must be recorded in the share register maintained by Euroclear Sweden AB as of Wednesday, 27 April 2011 and notify Sandvik AB of their intention to participate in the Meeting not later than Wednesday, 27 April 2011.

Notification of participation in the Meeting shall be made to Sandvik AB, Legal Affairs, SE-811 81 Sandviken, Sweden, by telephone, +46 (0)26-26 09 40 weekdays 9:00 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 Company'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 Euroclear Sweden AB on Wednesday, 27 April 2011 to be entitled to participate in the Meeting. Please 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. If participation is by proxy, the proxy should be forwarded prior to the Meeting. Proxy forms will be available at the Company's website www.sandvik.com.

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 the Meeting has been duly convened.
7. Presentation of the Annual Report, Auditor's Report and the Group Accounts and Auditor's Report for the Group.
8. Speech by the President.
9. Resolution in respect of adoption of the Profit and Loss Account, Balance Sheet, Consolidated Profit and Loss Account and Consolidated Balance Sheet.
10. Resolution in respect of discharge from liability of the Board members and the President for the period to which the accounts relate.
11. Resolution in respect of allocation of the Company's result in accordance with the adopted Balance Sheet and resolution on record day.
12. Determination of the number of Board members, Deputy members and Auditors. In conjunction with this, the work of the Nomination Committee will be presented.
13. Resolution on changes of the Articles of Association.
14. Determination of fees to the Board of Directors and Auditor.

Postal address

Public Company (publ)

Telephone

Telefax

SANDVIK AB
Investor Relations
SE-811 81 SANDVIKEN
SWEDEN

Reg.No 556000-3468
VAT No. SE663000060901
www.sandvik.com

+46 26 26 10 26

+46 26 26 10 43

15. Election of the Board of Directors and Chairman of the Board of Directors.
16. Election of Auditor.
17. Resolution on the Nomination Committee, etc. for the Annual General Meeting 2012.
18. Resolution on principles for the remuneration of senior executives.
19. Resolution on the implementation of a long-term incentive programme.
20. Closing of the Meeting.

PROPOSALS FOR RESOLUTIONS

Item 11 – Dividend and record day

The Board of Directors proposes a dividend of SEK 3.00 per share. Friday, 6 May 2011 is proposed as the record day. If the Meeting approves this proposal, it is estimated that the dividend payments will be distributed by Euroclear Sweden AB on Wednesday, 11 May 2011.

The Nomination Committee's proposals

The Nomination Committee is comprised of Carl-Olof By, Industrivärden, Chairman, Håkan Sandberg, Handelsbankens Pensionsstiftelse och Pensionskassa, Staffan Grefbäck, Alecta, Marianne Nilsson, Swedbank Robur fonder and Sandvik's Chairman of the Board of Directors Anders Nyrén.

The Nomination Committee proposes the following:

Item 2 - Attorney Sven Unger as Chairman of the Meeting.

Item 12 - Eight Board members, no Deputies and as Auditor a registered audit company.

Item 14 - Fees to the Board of Directors and Auditor:

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| • Board member not employed by the Company | SEK 500,000 |
| • Chairman of the Board of Directors | SEK 1,500,000 |
| • Board member elected by the General Meeting
who is a member of the Audit Committee | SEK 150,000 |
| • Chairman of the Audit Committee | SEK 175,000 |
| • Board member elected by the General Meeting
who is a member of the Remuneration Committee | SEK 100,000 |
| • Chairman of the Remuneration Committee | SEK 125,000 |
| • Fees to the Auditor shall be paid continuously during the term of office in accordance with approved invoices. | |

Item 15 - Re-election of Board members Fredrik Lundberg, Hanne de Mora, Egil Myklebust, Anders Nyrén, Simon Thompson and Lars Westerberg. New election of Johan Karlström and Olof Faxander. Anders Nyrén is proposed for re-election as Chairman of the Board of Directors.

Johan Karlström was born in 1957. He holds an M.Sc.Eng., and is President and CEO, as well as Board member, of Skanska AB. Prior to this, Johan Karlström had several years of experience from management positions at Skanska and BPA (currently called Bravida). He is independent in accordance with the rules of the Swedish Code of Corporate Governance.

Olof Faxander was born in 1970. He holds an M.Sc. and B.Sc., and is President and CEO of Sandvik since 1 February this year. He held the positions of Board member, President and CEO of SSAB between 2006 and 2011. Prior to this, Olof Faxander had ten years of solid industry experience from senior positions at Avesta Sheffield, Avesta Polarit and the Outokumpu Group. He is also Chairman of the Board of the trade association Jernkontoret (The Swedish Steel Producers' Association).

Item 16 - Re-election of KPMG AB as Auditor up to and including the Annual General Meeting 2015, i.e. for four years.

Item 17 - 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 (convener). The Nomination Committee has, in addition, the possibility to call in one co-opted member to the Nomination Committee from the Board members if required. At the formation of the Nomination Committee, the shareholding in the Company, based on information from Euroclear Sweden AB on the last banking day of August 2011, is to determine the largest shareholders in terms of votes. 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 completed.

The Nomination Committee is to prepare proposals for the Chairman of the Meeting, the number of Board members, remuneration to each of the Board members, the composition of the Board of Directors and Chairman of the Board of Directors, and regarding the appointment of a Nomination Committee for the Annual General Meeting 2013 and its assignment.

In the event that a member leaves the Nomination Committee prior to the work of the Committee being 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 work 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 be able to pay reasonable costs connected to the work of the Nomination Committee. The Committee is not to receive any fees.

Item 18 – The Board of Directors’ proposal for resolution on changes of the Articles of Association

The Board of Directors proposes that the Meeting resolve on changes of the Articles of Association with the purpose of, among other things, adapting the Articles of Association to the changes of the Swedish Companies Act that took effect on 1 November 2010 and 1 January 2011. The proposed changes entail, in all material respects, the following:

- The provision regarding the Auditor’s term of office is complemented so that the appointment as Auditor shall be valid up to the close of the Annual General Meeting held during the fourth financial year after the election of the Auditor (§ 7).
- The provision regarding notice of General Meetings is changed so that a notice of a General Meeting shall be given by announcement in *Post- och Inrikes Tidningar* (the Swedish Official Gazette) and on the Company’s website, and that the fact that notice has been published shall be announced in *Svenska Dagbladet* and in a daily newspaper published in Sandviken or Gävle. Furthermore, the provision regarding time-limits for issuing notices is removed as these time-limits are set out in statutory law (§ 9).
- The specified time (“3.00 pm”) in the provision regarding a shareholder’s notification of participation at a General Meeting is removed (§ 10).
- The expression “ordinary general meeting” is replaced by “Annual General Meeting” (§ 11).

Item 19 - The Board of Directors’ proposal for resolution on principles for the remuneration of senior executives

The Board of Directors proposes that the Annual General Meeting decide on the following principles for the remuneration of senior executives.

The Board’s proposal for the decision on principles for the remuneration of senior executives is designed to ensure that Sandvik from a global perspective can offer remuneration at the market rate that will attract and retain qualified members of the Group Executive Management.

The remuneration package for Group Executive Management comprises fixed salary, annual variable salary and long term variable salary in cash and/or in shares in Sandvik AB. It is intended that the components will form a well-balanced remuneration and benefit program that reflects the individual’s performance, responsibility and the Group’s earnings trend.

The fixed salary, which is individual and differentiated considering responsibility and performance, is determined taking into account market conditions and is reviewed each year.

The annual component of variable salary is based on the achievement of goals that are determined each year. The goals are related to the financial results of the Company and to measurable goals within each individual’s area of responsibility. The annual variable salary shall not exceed 75 per cent of the fixed annual salary.

A prerequisite for the long-term variable salary in cash is the achievement of measurable goals established by the Board, i.e. certain key ratios that create shareholder value linked to the Company’s growth, profitability and capital efficiency over a three-year period. The long-term variable cash salary shall not exceed 50 per cent of the fixed annual salary.

Long-term variable compensation may also be paid in the form of shares in Sandvik AB through participation in a share related incentive programme including the right to acquire employee stock options and matching rights. Such programme shall have been approved by the general meeting of shareholders and its key terms shall include that participation for certain categories of top executives requires own investments in Sandvik stock, a three year performance period with continued employment required during such time and that allotment is related to performance criteria linked to the company's growth, profitability and capital efficiency – Sandvik Value Added (SVA).

Other benefits to members of Group Executive Management shall match what may be considered reasonable in relation to market practice. These benefits include pension, company car, residence, health insurance and termination benefits.

Pension benefits to members of Group Executive Management are based on the fixed salary or cash paid out and may be of either the defined benefit or the defined contribution kind. Normal pension age is 62. For the President, the pension age is 60.

Termination benefits are normally paid in the event that Sandvik terminates the employment. The severance pay equals 12–18 months' pay for persons aged less than 55 and 18–24 months' pay for persons aged 55 or more. Any other earned income is offset against the severance pay. No termination benefit is paid in the event the employee terminates the employment.

The Board may depart from the principles established by the annual meeting of shareholders if, in isolated cases, there are special reasons for a departure.

Those affected by these proposed principles are the President and the other members of Group Executive Management.

Item 19 – Proposal by the Board of Directors on the implementation of a long-term incentive program

The Board of Directors proposes that the Annual General Meeting resolve to implement a new long-term incentive programme for senior executives and key employees (the "Programme") based on the following main principles. The purpose of the Programme is to further align the participants' and the shareholders' interests. The Programme is moreover expected to strengthen the Group's ability to retain and recruit qualified employees to the Sandvik Group as well as to strengthen Sandvik's focus and objective to meet the company's long-term business goals. The Programme is also intended to increase the proportion of remuneration linked to Sandvik's performance and to promote private shareholding in Sandvik.

General

The Programme is proposed to comprise approximately 400 senior executives and key employees in the Sandvik Group and comprise, at the most, 12,000,000 Sandvik shares. Participants in the Programme have the opportunity to be allotted employee stock options ("Employee Stock Options") enabling the employee to acquire Sandvik shares at a certain price after a period of three years ("Performance Shares"), on the condition that certain performance goals connected to Sandvik Value Added ("SVA") are met. More senior executives (category 1 – 3 below) are required to make a private investment in Sandvik shares in order to be eligible for allotment of Employee Stock Options. If such an investment in Sandvik shares is made, executives of this group are also allotted rights

(“Matching Rights”) enabling the executive to acquire Sandvik shares at a certain price after a period of three years (“Matching Shares”).

(A) Employee Stock Options for acquiring Performance Shares

The total number of Employee Stock Options that can be allotted, may entitle to the acquisition of approximately 11,800,000 Performance Shares.

Allotment of Employee Stock Options will be made to the chief executive officer (category 1) with no more than 145,000 Employee Stock Options, to other senior executives (category 2) with no more than 87,000 Employee Stock Options per person and to the remaining four groups (categories 3 – 6) with between 43,500 and 21,750 Employee Stock Options.

The chief executive officer shall decide who is classified in categories 2 – 6 above, based on position, qualifications and individual performance.

An employee in categories 1, 2 or 3 above is required to invest in Sandvik shares at market value (“Savings Shares”) by 15 June 2011 at the latest, in order to be allotted Employee Stock Options. If the employee invests in Savings Shares at an amount corresponding to 10 per cent of the employee’s fixed cash salary before tax for the year 2011, the employee is allotted the maximal number of Employee Stock Options according to the above. If the employee invests in Savings Shares at an amount corresponding to up to 10 per cent of the employee’s fixed cash salary before tax for the year 2011, the employee will be allotted a proportionate linear number of Employee Stock Options. An employee in categories 4 – 6 above does not need to invest in Savings Shares to be allotted Employee Stock Options.

The Employee Stock Options are non-transferable. Each Employee Stock Option entitles the employee the right to acquire one Performance Share.

How many of the Employee Stock Options that will eventually entitle to the acquisition of Performance Shares depends on how the growth of the Sandvik Group, expressed as Sandvik Value Added (SVA), develops during the financial years 2011 – 2013 (the “Performance Period”) compared to the financial year 2010 (the “Base Year”). If the average SVA for the three financial years which make up the Performance Period reaches 150 per cent or more compared to the Base Year’s SVA, 100 per cent of the allotted Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period fall below 110 per cent compared to the Base Year’s SVA, no Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period reaches 110 per cent, 20 per cent of the allotted Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period is between 110 and 150 per cent, a proportional linear number of the Employee Stock Options entitles to acquire Performance Shares.

Employee Stock Options can be exercised to acquire Performance Shares not earlier than three years and not later than five years after the allotment of Employee Stock Options.

The exercise of Employee Stock Options to acquire Performance Shares requires continued employment.

For an employee in categories 1, 2 or 3 above the exercise of Employee Stock Options to acquire Performance Shares also requires that all purchased Savings Shares are held continuously during a three-year period following the allotment of Employee Stock Options. The Chairman of the Board may grant exemptions from this requirement in special cases.

When exercising Employee Stock Options to acquire Performance Shares participants shall, for each Performance Share, pay an amount corresponding to 110 per cent of the volume-weighted average price paid for the Sandvik share at NASDAQ OMX Stockholm during a period of 10 trading days immediately following the Annual General Meeting 2011.

(B) Matching Rights for acquiring Matching Shares

Employees in categories 1, 2 or 3 above who invest in Savings Shares are entitled to be allotted Matching Rights. The total number of Matching Rights that can be allotted may entitle to the acquisition of approximately 100,000 Matching Shares.

The Matching Rights are non-transferable.

One Matching Right is allotted for each Savings Share acquired by the participant. Each Matching Right entitles to acquire one Matching Share.

The Matching Rights can be exercised to acquire Matching Shares not earlier than three years and not later than five years after the allotment of Matching Rights.

The exercise of Matching Rights to acquire Matching Shares requires continued employment and that all the acquired Savings Shares are held continuously during a three-year period following the allotment of Matching Rights. The Chairman of the Board may grant exemptions from the requirement to continuously hold the Savings Shares during a three-year period in special cases.

When exercising Matching Rights to acquire Matching Shares participants shall, for each Matching Share, pay an amount corresponding to 75 per cent of the volume-weighted average price paid for the Sandvik share at NASDAQ OMX Stockholm during a period of 10 trading days immediately following the Annual General Meeting 2011.

Adjustment of the number of Performance Shares and/or Matching Shares etc.

Before the exercise of Employee Stock Options for acquiring Performance Shares or Matching Rights for acquiring Matching Shares may take place, the Board of Directors shall consider whether the number of Performance and Matching Shares is reasonable taking into account the financial results and position of Sandvik, stock market conditions and other circumstances, and if the Board of Directors comes to the conclusion that that is not the case, reduce the number of Performance and/or Matching Shares to the lower number the Board of Directors finds appropriate.

The Board of Directors, or a committee appointed by the Board of Directors for this purpose, shall be responsible for preparing the detailed terms and conditions, and the administration of the Programme based on the Programme's main terms and guidelines. The Board of Directors may decide on the implementation of an alternative incentive solution for key employees in countries where the allotment of Employee Stock Options or Matching Rights, or the exercise of Employee Stock Options or Matching Rights for the acquisition of Performance and Matching Shares, respectively, is not appropriate. Such alternative incentive solution shall to the extent practically possible be designed to correspond to the terms of the Programme.

The Programme includes a maximum of 12,000,000 Sandvik shares, corresponding to about 1 per cent of the total number of shares, and will be secured in the form of share swaps with a third party, thus resulting in no dilution effect. Assuming a share price of SEK 120, expected volatility of 30 per cent and a five-year term, the cost of the program is estimated at slightly more than SEK 250 M.

INFORMATION AT THE ANNUAL GENERAL MEETING

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, and circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation, or the Company's relation to other group companies.

DOCUMENTATION

The Nomination Committee's proposal and statement are available on the Company's website www.sandvik.com. Accounting documents, the Auditor's Report and other documentation that shall be made available under the Swedish Companies Act, are available at Sandvik AB and on the Company's website www.sandvik.com, from no later than Tuesday, 12 April 2011. The documentation will be sent without charge to the shareholders at request.

SHARES AND VOTES

The total number of shares and votes in the Company is 1,186,287,175.

PROGRAMME FOR SHAREHOLDERS

Registration for the Meeting will commence at 3:30 p.m. Award of the Haglund medal will take place from around 4:30 p.m. Coffee will be served at 3:30-4:45 p.m.

Sandviken in March 2011
SANDVIK AKTIEBOLAG (publ)
The Board of Directors