



Press Release

Sandvik and Chinese mining equipment supplier form joint venture

Sandvik Mining and Construction and Shandong Energy Machinery Co. in Xintai, Shandong Province, China, have signed an agreement to form a 50/50 owned joint venture for the production and sales of coal mining equipment.

The joint venture is expected to be established within 6 months, following customary regulatory approvals. It is planned to be operational by the end of 2011 and will be fully consolidated in the Sandvik reporting.

One of the business focuses of Shandong Energy Machinery is to design and manufacture equipment for the Chinese underground coal mining market. It is a subsidiary of Xinwen Mining group, one of China's top fifteen coal mining companies. Shandong Energy Machinery has approximately 4400 employees.

The joint venture will focus on sourcing, assembly, sales and service of roadheaders for the large Chinese coal mining market. Sandvik will contribute with the product know-how and technology while Shandong Energy Machinery will contribute with local sourcing skills and customer application knowledge. The products are premium Sandvik roadheaders and will be sold under the Sandvik brand. While the initial focus will be to supply roadheaders to Shandong Energy Machinery's mother company, Xinwen Mining group, the goal of the JV is to become the leading premium roadheader supplier to the Chinese coal mining market.

"This joint venture agreement is in line with Sandvik's long-term strategy of continued profitable growth and our aim to become a leading equipment supplier to the Chinese coal mining market. It gives us a great opportunity to further develop our well proven underground coal mining equipment in close cooperation with our Chinese customers, as well as expanding our local set up to provide the best service and support to our customers", says Lars Josefsson.

Sandviken, 29 April 2011

Sandvik Aktiebolag (publ)

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 09:00 CET on 29 April 2011.

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Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, equipment and tools for the mining and construction industries, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems. In 2010, the Group had about 47,000 employees and representation in 130 countries, with annual sales of nearly SEK 83,000 M.

Sandvik Mining and Construction is a business area within the Sandvik Group and a leading global supplier of equipment, cemented-carbide tools, service and technical solutions for the excavation and sizing of rock and minerals in the mining and construction industries. Annual sales in 2010 amounted to about SEK 35,200 M, with approximately 15,500 employees.

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