

INTERIM REPORT THIRD QUARTER

AND NINE MONTHS 2015



Comments and numbers in the report relate to continuing operations, unless otherwise stated

WEAK DEMAND, STRONG CASH FLOW, PORTFOLIO REVIEW

CEO'S COMMENT: "In the third quarter, all business areas noted weaker order intake year-on-year, prompting negative organic growth of 8%. Invoicing declined by 6% organically, with only Sandvik Mining reporting growth supported by deliveries on the solid order intake for equipment during the first six months of 2015. Operating profit declined by 7% and the operating margin contracted to 11.2%, as the positive impact from changed exchange rates and savings generated by ongoing cost-reducing actions did not off-set the negative impact on operations from lower volumes" says Mats Backman, CFO and acting President and CEO of Sandvik.

"The balance sheet was strengthened as the net debt to equity ratio was reduced to 0.77 (0.85 in the preceding quarter), below our long term target of 0.8. Quarterly cash flow remained strong at 4 billion SEK, for a year-to-date cash flow of 9.4 billion SEK which is the strongest ever for a nine-month period for Sandvik, supported by a continuous focus on net working capital management. Net working capital in relation to invoiced sales was reduced significantly year-on-year."

"We made further progress with the supply chain optimization program, which targets consolidation of the manufacturing set-up, increased best country sourcing and moving closer to customers. This will also support our journey toward improved capital management by reducing inventory over the long term."

"On 1 October, we announced our intention to divest the Mining Systems operations, a separate product area within Sandvik Mining, supplying design and engineering of material handling systems for the mining industry. This on-going change to the product portfolio will make Sandvik Mining more transparent and focused on its core operations - mining equipment and the aftermarket offerings for both underground and surface mines - which we will continue to develop to ensure improved long-term value creation".

"During the quarter, a change to the Group's management was announced and our new CEO, Björn Rosengren, will join Sandvik on 1 November. Björn is recognized for his vast industrial experience and we look forward to him joining Sandvik".

FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
<i>Continuing operations</i>						
Order intake ¹⁾	20 346	19 726	-8	61 573	64 066	-6
Invoiced sales ¹⁾	20 907	20 745	-6	60 829	64 905	-4
Gross profit	7 719	7 519	-3	23 178	23 494	+1
% of invoiced sales	36.9	36.2		38.1	36.2	
Operating profit	2 488	2 325	-7	7 521	6 501	-14
% of invoiced sales	11.9	11.2		12.4	10.0	
<i>Adjusted operating profit</i> ²⁾	2 492	2 325	-7	7 600	8 279	+9
<i>% of invoiced sales</i> ²⁾	11.9	11.2		12.5	12.8	
Profit after financial items	2 033	1 871	-8	6 182	5 043	-18
% of invoiced sales	9.7	9.0		10.2	7.8	
Profit for the period	1 489	1 251	-16	4 527	3 621	-20
% of invoiced sales	7.1	6.0		7.4	5.6	
of which shareholders' interest	1 498	1 261	-16	4 531	3 644	-20
Earnings per share, SEK ³⁾	1.19	1.01		3.61	2.90	
Return on capital employed, % ⁴⁾	12.2	11.9		12.2	11.9	
Cash flow from operations	+3 538	+3 953	+12	+5 873	+9 389	+60
Net working capital, %	32	30		32	30	
<i>Discontinued operations</i>						
Profit for the period	-31	-1 015	N/M	-39	-1 255	N/M
Earnings per share, SEK ³⁾	-0.02	-0.81		-0.03	-1.00	
<i>Group Total</i>						
Profit for the period	1 458	236	-84	4 488	2 366	-47
Earnings per share, SEK ³⁾	1.17	0.20		3.58	1.90	

1) Change from the preceding year at fixed exchange rates for comparable units
 2) Operating profit adjusted for nonrecurring charges of 1.8 billion SEK for the first quarter 2015, and by 4 million SEK for the third quarter 2014 and 75 million SEK for the second quarter 2014.
 3) Calculated on the basis of the shareholders' share of profit for the period. No dilutive impact during the period.

4) Rolling 12 months
 Tables and calculations do not always agree exactly with the totals due to rounding
 Comparisons refer to the year-earlier period, unless stated otherwise

MARKET DEVELOPMENT AND EARNINGS

GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-8	-6
Structure, %	-1	-1
Currency, %	+6	+7
TOTAL, %	-3	-1

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

In the third quarter, organic order intake deteriorated by 8%, excluding major orders, and a decline was reported for all geographical regions and business areas. Invoicing declined by 6% organically, with only Sandvik Mining reporting growth.

In the automotive segment, lower demand was noted in Asia, while North America and Europe remained stable compared with the year-earlier period. In the energy segment, the low oil price continued to adversely impact order intake for Sandvik Materials Technology's capex related offering. It also triggered increased competition within the more standardized tubular product offering. Furthermore, an indirect negative impact on demand within the general engineering segment was noted. The underlying market for mining equipment remained largely stable although market uncertainty increased. Business conditions softened slightly in the mining aftermarket for consumables, Rock Tools. Demand in the aerospace segment increased and activity among customers in the nuclear power segment increased although the order intake is still on a low level.

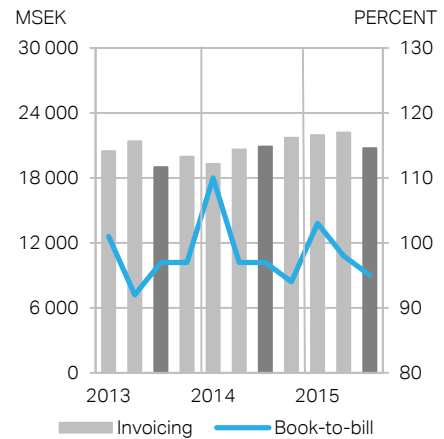
European order intake declined by 6% on a mixed market development, for example Germany was stable, the UK and Sweden weakened and Italy and France reported positive growth. In North America order intake declined by 10%, with the low single-digit growth for Sandvik Materials Technology and Sandvik Mining failing to off-set the double-digit declines in other business areas. In Asia order intake declined by 5% excluding major orders, adversely impacted by China.

The contribution from changed exchange rates was significant at 6% for order intake and 7% for invoiced sales.

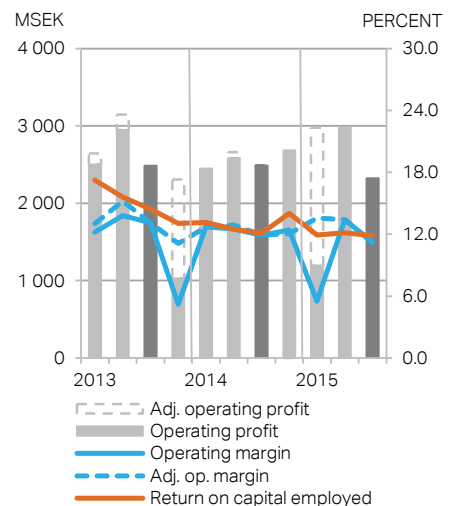
Operating earnings declined by 7% year-on-year as the negative impact from lower volumes more than off-set the positive impact from changed exchange rates and savings measures. Within the scope of the supply chain optimization program one additional unit was closed, and the program generated savings of 139 million SEK in the quarter, for an annual run-rate of 559 million SEK. In parallel, the ongoing program for cost base adjustments generated savings of 63 million SEK in the quarter, for an annual run-rate of 285 million SEK. Changed exchange rates contributed approximately by 370 million SEK to earnings as the SEK depreciated against several major trading currencies year-on-year. Changed metal prices adversely impacted results by about 135 million SEK. Administrative and selling expenses decreased year-on-year in all business areas. The tax rate in the third quarter was 33.1% (26.7), however the write-down of 1 billion SEK in discontinued operations implied Group total tax rate of 72.4% in the quarter.

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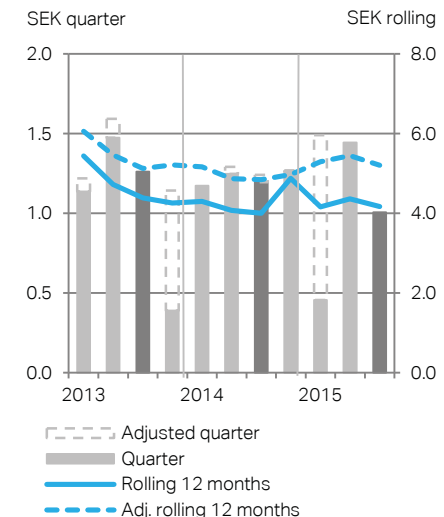
INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT & RETURN



EARNINGS PER SHARE



CASH FLOW AND BALANCE SHEET

Total assets for the Group were largely flat compared with the preceding quarter. Inventories and receivables decreased, resulting in a higher cash balance.

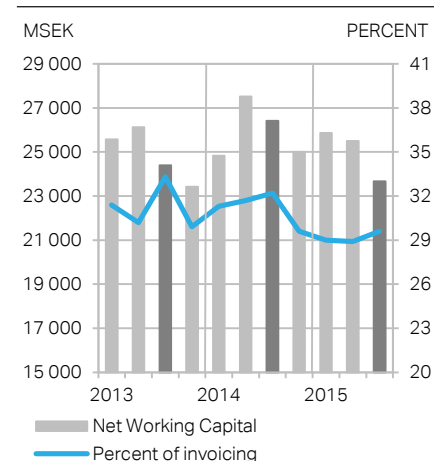
Net working capital decreased by about 1.8 billion SEK compared with the preceding quarter, to a total of 23.7 billion SEK. The sequential change was driven by volume reduction, primarily in inventory and accounts receivable, but also by the impact of changed exchange rates. The net working capital in relation to sales was 29.6%, down significantly year-on-year (32.2) due to persistent focus on net working capital management, although it increased slightly compared with the preceding quarter (28.9), in line with seasonal pattern.

Capital expenditure in the third quarter amounted to 1 billion SEK (1.1) and 2.8 billion SEK (3.1) in the first nine months of 2015. Investments are expected to increase in the fourth quarter of 2015 in line with the historical pattern. The updated guidance for capital expenditure during 2015 is set at about 4 billion SEK, compared with the previous guidance of about 4.5 billion SEK.

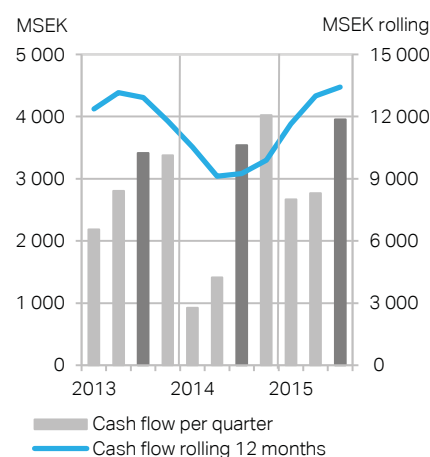
Net debt decreased to 30.2 billion SEK compared with 32.9 billion SEK in the preceding quarter. The decrease was attributable to continued strong cash flow in the quarter. Consequently, the net debt to equity ratio decreased to 0.77, below the long term target of 0.8, and down from 0.85 in the preceding quarter. Interest-bearing debt with short-term maturity accounted for 11% of total debt. Net pension liability was 6 billion SEK. Since the adoption of IAS 19R, the accumulated actuarial losses have reduced the equity by approximately 4 billion SEK, net of tax.

Cash flow from operations amounted to 4 billion SEK (3.5) which represented a strong level for the third-quarter, supported by quarterly earnings and a continued decrease of the net working capital.

NET WORKING CAPITAL

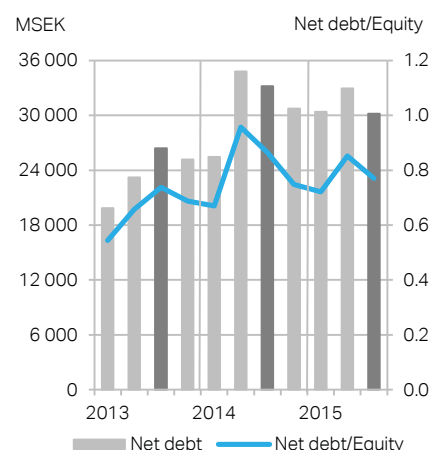


CASH FLOW FROM OPERATIONS



Cash flow Q3 2013 and Rolling 12 months adjusted for tax payment related to Intellectual Property rights, about -5,800 million SEK.

NET DEBT



SANDVIK MACHINING SOLUTIONS

CHALLENGING MARKET CONDITIONS

SAVINGS SUPPORT EARNINGS

COST SAVING ACTIONS ONGOING



GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-6	-5
Structure, %	+0	+0
Currency, %	+8	+8
TOTAL, %	+2	+2

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

Market activity deteriorated in the energy and general engineering segments during the quarter, while remaining stable or positive in automotive and aerospace, year-on-year.

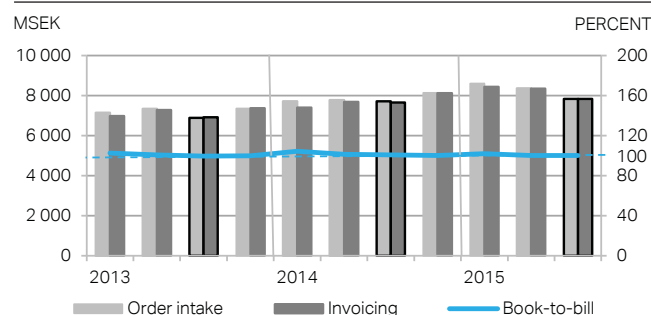
Demand in the automotive segment remained stable in Europe and North America, while it declined in Asia due to a softening in China. A harsher environment was noted in the energy segment due to the low oil price, which triggered a negative indirect impact on demand in the general engineering segment. Europe reported negative invoicing growth of 3% with mixed development between countries. North America declined by 11%, not least due to continued weak demand in the energy segment. Asia declined by 6%, as negative growth in China more than off-set the positive development in Japan.

Operating profit was primarily adversely impacted by negative organic growth of 5%, in addition to a certain level of underproduction resulting from continuous efforts to reduce inventory. The negative impact from the volume down-turn more than off-set the positive impact from changed exchange rates of 140 million SEK, structural savings of 47 million SEK generated by the supply chain optimization program and 13 million SEK from adjustment of cost base, totalling an annual run-rate of 241 million SEK. Consequently operating profit declined by 2% compared with the year-earlier period and the operating margin amounted to 18.6% (19.5).

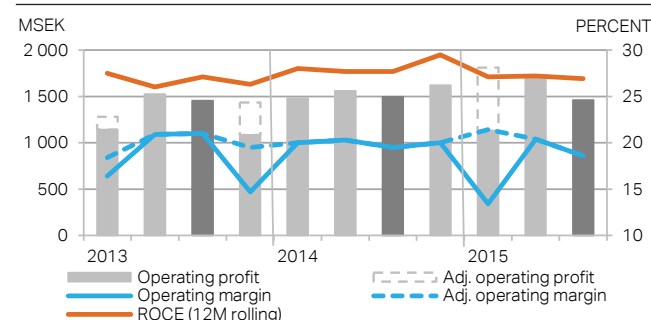
During and following the close of the third quarter, and as a part of the previously announced actions to adjust the cost base, efficiency measures impacting more than 300 employees globally have been initiated. In addition, some 100 employees from newly identified cost savings actions were initiated. In total

more than 400 employees are impacted. Employees are within production as well as sales, administration and R&D, and the initiative is related to general ongoing efficiency measures and softer than expected market development in 2015.

ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK

	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	7 711	7 841	-6 *	23 199	24 792	-4 *
Invoiced sales	7 658	7 836	-5 *	22 734	24 613	-3 *
Operating profit	1 496	1 459	-2	4 537	4 288	-5
% of invoiced sales	19.5	18.6		20.0	17.4	
Adjusted operating profit**	1 496	1 459	-2	4 537	4 968	+10
% of invoiced sales**	19.5	18.6		20.0	20.2	
Return on capital employed, %***	27.7	26.9		27.7	26.9	
Number of employees	18 906	18 577	-2	18 906	18 577	-2

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 680 million SEK in Q1 2015. *** Rolling 12 months

SANDVIK MINING

MARGIN IMPROVEMENT FROM INTERNAL MEASURES

HIGHER MARKET UNCERTAINTY

PLAN TO DIVEST MINING SYSTEMS



GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-3	+7
Structure, %	+0	+0
Currency, %	+4	+4
TOTAL, %	+1	+12

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

While invoicing was strong in the quarter, the underlying mining market was characterized by increased uncertainty.

The strong order intake for equipment in the first half of the year, supported organic invoicing growth of 7% year-on-year, as orders were converted in to deliveries. Organic order intake declined by 3%, yielding a book-to-bill of 0.87 for the period. The underlying market for equipment remained largely stable, although uncertainty regarding demand increased during the period. Slight softening of customer activity for consumables, Rock Tools, in the aftermarket business was noted.

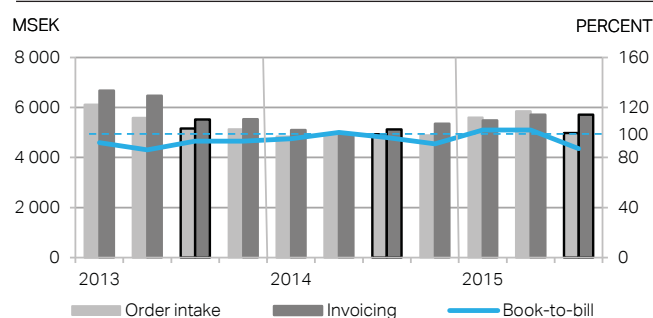
Operating profit amounted to 847 million SEK which is an improvement of 32% on the year-earlier period.

This was supported by improved absorption of costs in production due to the recent healthy order intake for equipment, savings from structural efficiency measures, and the positive impact of 130 million SEK from changed exchange rates. Combined, these more than off-set the negative impact from provisions for stock obsolescence. During the period one more unit was closed within the scope of the supply chain optimization program, which generated total savings of 59 million SEK during the quarter, yielding an annual run-rate of 236 million SEK.

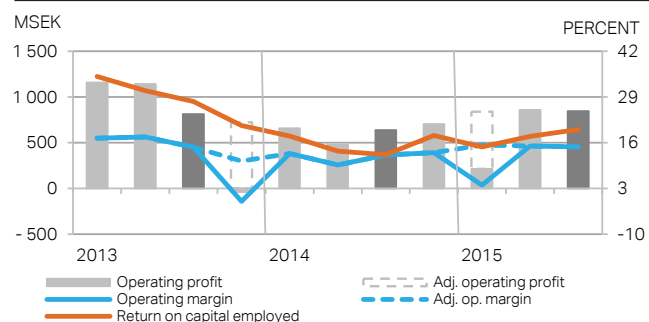
Following a review of the business portfolio, the intention to divest Mining Systems was announced on 1 October. Mining Systems is a business for large projects, focused on design, engineering and assembly of material handling systems. It is a separate unit with no significant ties to the core equipment

or aftermarket offering. Mining System is reported as discontinued operations in the financial statements.

ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
<i>Continuing operations</i>						
Order intake	4 931	4 977	-3 *	14 740	16 427	+1 *
Invoiced sales	5 121	5 712	+7 *	15 193	16 912	+1 *
Operating profit	640	847	+32	1 778	1 922	+8
% of invoiced sales	12.5	14.8		11.7	11.4	
<i>Adjusted operating profit**</i>	640	847	+32	1 778	2 547	+43
<i>% of invoiced sales**</i>	12.5	14.8		11.7	15.1	
Return on capital employed, %***	12.6	19.8		12.6	19.8	
Number of employees	10 577	10 488	-1	10 577	10 488	-1

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 626 million in Q1 2015. *** Rolling 12 months.

SANDVIK MINING

CONTINUING OPERATIONS

FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	4 931	4 977	-3 *	14 740	16 427	+1 *
Invoiced sales	5 121	5 712	+7 *	15 193	16 912	+1 *
Operating profit	640	847	+32	1 778	1 922	+8
% of invoiced sales	12.5	14.8		11.7	11.4	
Adjusted operating profit**	640	847	+32	1 778	2 547	+43
% of invoiced sales**	12.5	14.8		11.7	15.1	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 626 million in Q1 2015.

DISCONTINUED OPERATIONS

FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	635	466	-23 *	3 099	2 036	-38 *
Invoiced sales	1 685	1 347	-14 *	4 599	3 919	-16 *
Operating profit	-26	-1 004	N/M	-24	-1 225	N/M
% of invoiced sales	-1.6	-74.6		-0.5	-31.3	
Adjusted operating profit**	-26	-6	+75	-24	-123	N/M
% of invoiced sales**	-1.6	-0.5		-0.5	-3.2	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 998 million in Q3 2015 and 104 million in Q1 2015.

The market for Mining Systems (discontinued operations) remained weak as customers continue to postpone projects, and consequently price pressure remained tangible. No large orders were received in the third quarter and both order intake and invoicing declined by double digits year-on-year.

Mining Systems is reported as discontinued operations and reported a break-even operating result adjusted for the earlier announced write-down of 1 billion SEK, covering project-related write-downs, other provisions for project-related costs and impairment. Changed exchange rates positively impacted earnings by 30 million SEK.

SANDVIK MINING TOTAL

FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	5 566	5 443	-5 *	17 838	18 463	-6 *
Invoiced sales	6 806	7 059	+2 *	19 792	20 831	-3 *
Operating profit	614	-157	N/M	1 754	697	-60
% of invoiced sales	9.0	-2.2		8.9	3.3	
Adjusted operating profit**	614	841	+37	1 754	2 424	+38
% of invoiced sales**	9.0	11.9		8.9	11.6	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 998 million in Q3 2015 and 730 million in Q1 2015.

SANDVIK MATERIALS TECHNOLOGY

CHALLENGING CONDITIONS PERSIST IN OIL & GAS INDUSTRY

COST SAVING ACTIONS ONGOING

NET WORKING CAPITAL AT ALL-TIME-LOW LEVEL



GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-12	-13
Structure, %	-8	-8
Currency, %	+7	+7
TOTAL, %	-15	-15

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

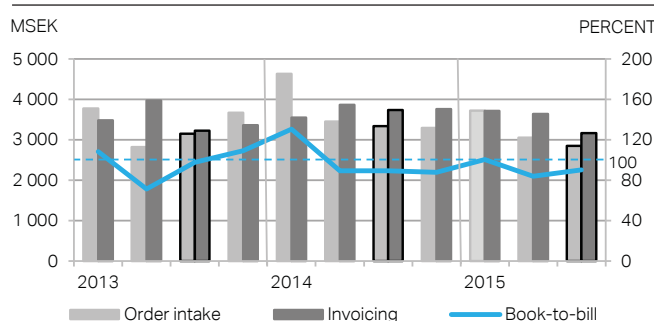
Subdued demand in the oil and gas industry prevailed in the third quarter and competition intensified for the more standardized tubular offering as competitors shifted focus to adjacent areas outside of the oil & gas industry, resulting in price pressure. The lower nickel price also triggered customers to place orders at a shorter notice. All major geographical regions except North America noted negative development compared with the corresponding period in 2014. No major orders were received in the quarter, thus negatively affecting order intake compared with the year-earlier period.

Earnings continued to be negatively affected as weak demand in the oil and gas industry resulted in underutilization in production. The contribution from changed exchange rates was 65 million SEK, while movements in metal prices had an adverse impact of about 135 million SEK on earnings. Excluding metal price effects, earnings amounted to 184 million SEK (311) or 5.8% (8.3). The seasonally weak third quarter was furthermore slightly adversely impacted by the price pressure in the more standardized tubular offering.

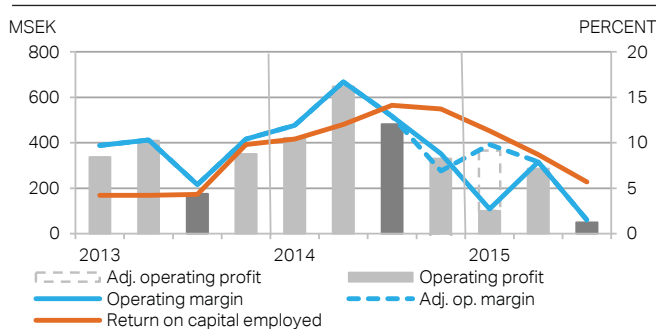
Net working capital was reduced to a historically low level. However the ratio to sales increased sequentially to 30.1% (28.6), in line with the normal seasonal pattern. Savings from the ongoing programs for cost base adjustment and supply chain optimization, initiated in the first quarter 2015, amounted to an annual run-rate of 67 million SEK. Additional actions to mitigate the downturn were taken through the utilization of time banks, gen-

eral cost containment, reducing shift forms and the temporary work force, while also increasing the emphasis on additional sales in areas outside of the oil and gas industry.

ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK

	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	3 335	2 847	-12 *	11 417	9 626	-17 *
Invoiced sales	3 735	3 161	-13 *	11 148	10 511	-7 *
Operating profit	482	49	-90	1 550	435	-72
% of invoiced sales	12.9	1.5		13.9	4.1	
Adjusted operating profit**	482	49	-90	1 550	700	-55
% of invoiced sales**	12.9	1.5		13.9	6.7	
Return on capital employed, %***	14.1	5.7		14.1	5.7	
Number of employees	7 132	6 610	-7	7 132	6 610	-7

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 265 million SEK in Q1 2015. *** Rolling 12 months

SANDVIK CONSTRUCTION

CHALLENGING MARKETS

SIGNIFICANT MARGIN IMPROVEMENT

LARGE ORDER RECEIVED



GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-6	-15
Structure, %	+0	+0
Currency, %	+6	+7
TOTAL, %	-0	-9

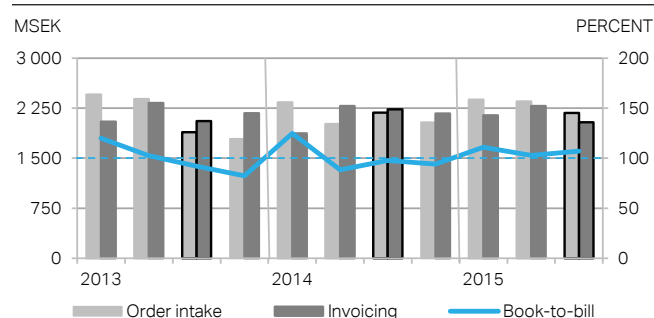
Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

The market remained generally challenging as both order intake and invoicing declined compared with the year-earlier period. However a positive book-to-bill of 1.07 was reported. Overall, the underlying market continued to be relatively stronger in the US. Europe remained largely stable at a low level, while demand remained weak in China, Brazil, Russia and Southeast Asia. Order intake was supported by positive development for tunneling, particularly in Australia, although it declined for surface drilling and mobile crushing and screening. Furthermore the timing of orders negatively affected the overall order intake, despite receiving one large tunneling order for about 220 million SEK in Australia. Demand for rock tools, consumables and services remained largely stable. Negative growth in invoicing was driven by declines in all product areas except for breaking.

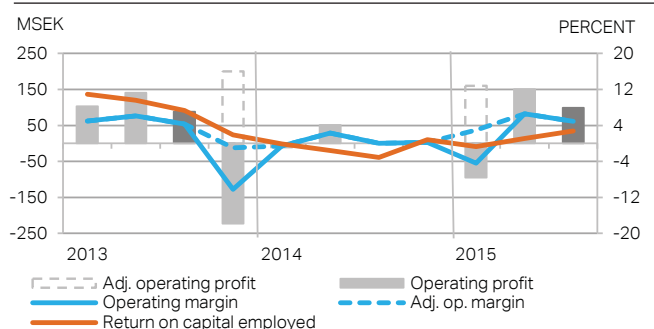
Earnings continued to improve versus the year-earlier period and the operating margin amounted to 4.9%, supported by the positive impact from changed exchange rates, the successful implementation of the supply chain optimization program and the ongoing efficiency measures in the sales organization. Changed exchange rates had a positive impact on operating profit of about 45 million SEK compared with the year-earlier period. Net working capital continued to decrease and reached the lowest level in several years. However the ratio to sales increased sequentially to 24.9%, due to lower demand and seasonally lower sales. In total, structural savings of 57 million SEK were achieved in the quarter for an annual run-rate of 228 million SEK – 124 million SEK from the previously

announced supply chain optimization program as well as 104 million SEK from the ongoing cost base adjustment program.

ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK

	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	2 184	2 179	-6 *	6 533	6 902	-5 *
Invoiced sales	2 232	2 037	-15 *	6 384	6 464	-9 *
Operating profit	1	99	N/M	41	156	N/M
% of invoiced sales	0.0	4.9		0.6	2.4	
Adjusted operating profit**	1	99	N/M	41	316	N/M
% of invoiced sales**	0.0	4.9		0.6	4.9	
Return on capital employed, %***	-3.1	2.8		-3.1	2.8	
Number of employees	2 967	2 944	-1	2 967	2 944	-1

* At fixed exchange rates for comparable units, ** Operating profit adjusted for nonrecurring charges of 160 million SEK in Q1 2015, *** Rolling 12 months

SANDVIK VENTURE

WEAK OVERALL DEMAND

UNDERUTILIZATION IMPACTS EARNINGS

ACQUISITION IN PROCESS SYSTEMS



GROWTH

Q3	ORDER INTAKE	INVOICED SALES
Price/volume, %	-21	-14
Structure, %	+1	+0
Currency, %	+8	+8
TOTAL, %	-14	-7

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

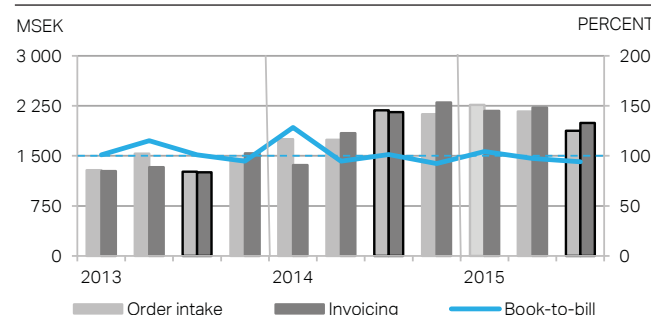
Demand softened across all product areas and geographies except for Wolfram where the volume demand remained robust while declining tungsten prices adversely impacted order intake and invoicing compared with the year-earlier period. For Drilling and Completions (Varel) business activity weakened compared with the year-earlier period. However, signs of market stabilization in the US was noted during the latter part of the third quarter, although significant price pressure persisted. Hyperion was also adversely impacted by the soft demand in mining, oil & gas, tungsten carbide powder and abrasives.

Earnings for the quarter were negatively impacted by persistently low demand and price pressure in the energy segment, underabsorption of costs in Wolfram due to seasonality involving planned production shut-down, as well as lower invoicing in Process Systems where weaker order intake in recent quarters filtered through. Changed exchange rates had a negative impact of 35 million SEK on earnings compared with the year-earlier period. In the quarter total savings of 37 million SEK were achieved, for an annual run-rate of 148 million SEK. This marks the achievement of the targeted annual savings (25 million SEK) in the previously announced program for cost base adjustment in parallel with additional cost saving actions taken to mitigate lower demand, in particular within oil and gas.

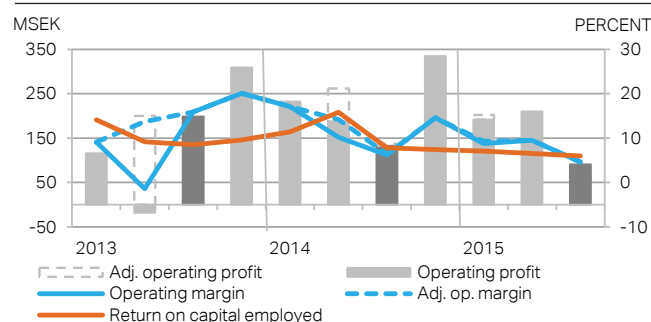
During the quarter Process Systems acquired SGL Technology B.V (SGL), a manufacturer of industrial steel-belt based processing equipment for the food processing

industry. In 2014, SGL's invoicing amounted to about 60 million SEK and the company had 20 employees. SGL was incorporated in Venture as of 15 September 2015 and will strengthen Process Systems' market position particularly in the food processing industry.

ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
Order intake	2 182	1 878	-21 *	5 672	6 305	-16 *
Invoiced sales	2 155	1 994	-14 *	5 357	6 392	-9 *
Operating profit	133	91	-31	553	493	-11
% of invoiced sales	6.2	4.6		10.3	7.7	
Adjusted operating profit**	137	97	-33	632	504	-20
% of invoiced sales**	6.3	4.6		11.8	7.9	
Return on capital employed, %***	9.6	6.0		9.6	6.0	
Number of employees	4 149	3 938	-6	4 149	3 938	-6

* At fixed exchange rates for comparable units. ** Operating profit adjusted for nonrecurring charges of 10 million SEK in Q1 2015 and of 75 million SEK in Q2 2014 and 4 million SEK in Q3 2014. *** Rolling 12 months.

PARENT COMPANY

The parent company's invoiced sales after the third quarter of 2015 amounted to 11 610 million SEK (12 264) and the operating result was -850 million SEK (-723). Income from shares in Group companies consists primarily of dividends and Group contributions from these and amounted after the third

quarter to 7 748 million SEK (1 791). Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to 11 588 million SEK (20 201). Investments in property, plant and machinery amounted to 588 million SEK (886).

ACQUISITIONS AND DIVESTMENTS

ACQUISITIONS DURING THE MOST RECENT 12-MONTH PERIOD

	COMPANY/UNIT	CLOSING DATE	ANNUAL REVENUE, MSEK	NO OF EMPLOYEES
SANDVIK VENTURE	SGL Technology B.V. (SGL)	15 September 2015	60	20

DIVESTMENTS DURING THE MOST RECENT 12-MONTH PERIOD

The divestment of Sandvik Materials Technology's distribution business in Australia and New Zealand was finalized on 1 October 2014 and recorded in the fourth quarter of 2014.

The divestment of Sandvik Materials Technology's power spring business in the US and Mexico was finalized on 31 December 2014 and recorded in the fourth quarter of 2014.

FIRST NINE MONTHS OF 2015

Demand for Sandvik's products during the first nine months of 2015 declined compared with the year-earlier-period. Negative organic growth of 4% was reported for order intake, primarily adversely impacted by lower business activity in the oil & gas segment, which also indirectly impacted the general engineering segment to some degree, as well as a general slowdown in industrial activity in the third quarter. However, impact from changed exchange rates implied an overall positive growth in order intake of 7%. Total invoicing grew by 7%, supported by changed exchange rates, whilst organic growth declined by 4%. Sandvik's order intake amounted to 64 066 million SEK (61 573), and invoiced sales were 64 905 million SEK (60 829). Adjusted operating profit was 8 279 million SEK (7 600), excluding non-recurring charges of 1.8 billion SEK in the first

quarter related to the launch of the second phase of the on-going supply chain optimization program and other cost base adjustments. Changed exchange rates had a positive impact on results of about 1.9 billion SEK, while changed metal prices had a negative impact of 220 million SEK. Net financial items amounted to -1 458 million SEK (-1 339) and the profit after financial items was 5 043 million SEK (6 182).

The tax rate was 28.2% (26.8) and profit for the period amounted to 3 621 million SEK (4 527). Earnings per share were 2.90 SEK (3.61) for continuing operations and 1.90 (3.58) for Group total. Cash flow from operations totaled 9 389 million SEK (5 873).

GUIDANCE

Guidance below relates to continuing operations.

Sandvik does not provide a market outlook or business performance forecasts. However, guidance relating to certain non-operational key figures considered useful when modeling financial outcomes is provided in the table below:

CAPEX	Estimated at about 4 billion SEK for 2015
CURRENCY EFFECTS	Based on currency rates at end-September, it is estimated that operating profit for the fourth quarter of 2015 will be impacted by about +100 million SEK compared with the year-earlier period
METAL PRICE EFFECTS	In view of currency rates, stock levels and metal prices at the end of September, it is estimated that operating profit for the fourth quarter of 2015 will be impacted by about -100 million SEK
NET FINANCIAL ITEMS	Estimated at between -1.8 and -2.0 billion SEK in 2015
TAX RATE	Estimated at about 26-28% for 2015

SIGNIFICANT EVENTS

– During the quarter, a change to the Group's management was announced and the new CEO, Björn Rosengren, will join Sandvik on 1 November.

– On 1 October Sandvik announced its intention to divest the product area Mining Systems, which is a separate product area within Sandvik Mining and a supplier of design and engineering of material handling systems for the mining industry. In 2014 the Mining Systems operations, with 1,300 employees, had annual sales of 6.3 billion SEK representing 7% of Sandvik Group invoicing, and an operating loss was reported at a low single digit margin level.

As from the third quarter 2015 and until closure of the divestment, Mining Systems operations will be reported as discontinued operations in the Sandvik Group financial statements.

A nonrecurring charge of 1 billion SEK related to Mining Systems impacted the result for the discontinued operations in the third quarter 2015. This includes write-downs related to projects, other provisions for project related costs and impairment.

– After the close of the third quarter Sandvik signed an agreement to divest its interest in the commercial business jet company, Bromma Business Jet AB.

ACCOUNTING POLICIES

This interim report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting. The same accounting and valuation policies were applied as in the most recent annual report with the exception of new and revised standards and interpretations effective from 1 January 2015.

The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in line with standard RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board.

IASB has published amendments of standards that are effective as of 1 January 2015 or later. The standards have not had any material impact on the consolidated accounts.

The Mining Systems operations, which the Group intends to divest, have been classified as discontinued operations in accordance with IFRS 5. Comparative figures have been adjusted where necessary. In connection with the ongoing divestment, a write-down of assets has been made to a value that corresponds to the estimated sale price less selling costs. The divestment is expected to be completed during 2016.

TRANSACTIONS WITH RELATED PARTIES

No transactions between Sandvik and related parties that significantly affected the company's position and results took place.

RISK ASSESSMENT

Sandvik is a global group represented in 150 countries and as such is exposed to a number of commercial and financial risks. Accordingly, risk management is an important process for Sandvik in its work to achieve established targets. Efficient risk management forms part of the ongoing review of the business

and forward-looking assessment of operations. Sandvik's long-term risk exposure is assumed not to deviate from the inherent exposure associated with Sandvik's ongoing business operations. For a more in-depth analysis of risks, refer to Sandvik's Annual Report for 2014.

FINANCIAL REPORTS SUMMARY

THE GROUP

INCOME STATEMENT

MSEK	Q3 2014	Q3 2015	CHANGE %	Q1-3 2014	Q1-3 2015	CHANGE %
<i>Continuing operations</i>						
Invoiced sales	20 907	20 745	-1	60 829	64 905	+7
Cost of sales and services	-13 188	-13 226	+0	-37 651	-41 411	+10
Gross profit	7 719	7 519	-3	23 178	23 494	+1
% of revenues	36.9	36.2		38.1	36.2	
Selling expenses	-3 024	-3 005	-1	-8 553	-9 634	+13
Administrative expenses	-1 562	-1 452	-7	-4 864	-5 185	+7
Research and development costs	-594	-622	+5	-1 891	-2 097	+11
Other operating income and expenses	-51	-115	+125	-349	-77	-78
Operating profit	2 488	2 325	-7	7 521	6 501	-14
% of revenues	11.9	11.2		12.4	10.0	
Net financial items	-455	-454	-0	-1 339	-1 458	+9
Profit after financial items	2 033	1 871	-8	6 182	5 043	-18
% of revenues	9.7	9.0		10.2	7.8	
Income tax	-544	-620	+14	-1 655	-1 422	-14
Profit for the period, continuing operations	1 489	1 251	-16	4 527	3 621	-20
% of revenues	7.1	6.0		7.4	5.6	
<i>Discontinued operations</i>						
Invoiced sales	1 686	1 347	-20	4 598	3 919	-15
Operating profit	-26	-1 004	N/M	-24	-1 225	N/M
Profit after financial items	-31	-1 015	N/M	-39	-1 255	N/M
Profit for the period for the period, discontinued operations	-31	-1 015	N/M	-39	-1 255	N/M
<i>Group total</i>						
Invoiced sales	22 593	22 092	-2	65 427	68 824	+5
Operating profit	2 462	1 321	-46	7 497	5 276	-30
Profit after financial items	2 001	856	-57	6 143	3 787	-38
Profit for the period, Group total	1 458	236	-84	4 488	2 366	-47
<i>Items that will not be reclassified to profit or loss</i>						
Actuarial gains/(losses) on defined benefit pension plans	-588	957		-1 135	492	
Tax relating to items that will not be reclassified	130	-185		281	-121	
	-458	772		-854	371	
<i>Items that will be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences	652	252		1 717	4	
Cash flow hedges	-89	-21		-286	8	
Tax relating to items that may be reclassified	12	3		62	-1	
	575	234		1 493	11	
Total other comprehensive income	117	1 006		639	382	
Total comprehensive income	1 575	1 243		5 128	2 748	
Profit for the period attributable to						
Owners of the Parent	1 467	247		4 492	2 388	
Non-controlling interests	-9	-11		-4	-23	
Total comprehensive income attributable to						
Owners of the Parent	1 580	1 232		5 127	2 747	
Non-controlling interests	-4	12		1	1	
Earnings per share, SEK *						
Continuing operations	1.19	1.01		3.61	2.90	
Discontinued operations	-0.02	-0.81		-0.03	-1.00	
Group Total	1.17	0.20		3.58	1.90	

* No dilution effects during the period
N/M = non-meaningful

THE GROUP

BALANCE SHEET

CONTINUING AND DISCONTINUED OPERATIONS

MSEK	31 DEC 2014	30 SEP 2014	30 SEP 2015
Intangible assets	18 323	17 455	18 826
Property, plant and equipment	27 609	26 586	26 902
Financial assets	8 279	8 499	8 166
Inventories	24 056	24 972	23 073
Current receivables	21 725	22 151	19 931
Cash and cash equivalents	6 327	4 988	5 890
Assets held for sale	-	-	2 282
Total assets	106 319	104 651	105 070
Total equity	36 672	34 490	35 088
Non-current interest-bearing liabilities	41 426	40 763	38 537
Non-current non-interest-bearing liabilities	3 584	3 846	4 427
Current interest-bearing liabilities	2 679	3 596	3 867
Current non-interest-bearing liabilities	21 958	21 956	20 865
Liabilities held for sale	-	-	2 286
Total equity and liabilities	106 319	104 651	105 070
<i>Group total</i>			
Net working capital*	25 250	26 762	23 476
Loans	36 907	37 985	35 934
Net debt**	30 742	33 194	30 160
Net debt to equity ratio***	0.75	0.87	0.77
Non-controlling interests in total equity	134	157	132

* Inventories plus trade receivables excl. prepaid income taxes, reduced by non-interest-bearing liabilities excl. tax liabilities

** Current and non-current interest-bearing liabilities excluding net provisions for pensions, less cash and cash equivalents.

*** Equity excluding accumulated actuarial gains/losses on defined benefit pension plans after tax

CHANGE IN TOTAL EQUITY

MSEK	EQUITY RELATED TO OWNERS OF THE PARENT	NON-CONTROLLING INTEREST	TOTAL EQUITY
Opening equity, 1 January 2014	33 510	100	33 610
Total comprehensive income for the period	7 432	-17	7 415
Non-controlling interest in acquired companies	-	33	33
Non-controlling interest new stock issue	-	23	23
Personnel options program	-80	-	-80
Hedge of personnel options program	66	-	66
Dividends	-4 390	-5	-4 395
Closing equity, 31 December 2014	36 538	134	36 672
Opening equity, 1 January 2015	36 538	134	36 672
Total comprehensive income for the period	2 747	1	2 748
Personnel options program	20	-	20
Hedge of personnel options program	41	-	41
Dividends	-4 390	-3	-4 393
Closing equity, 30 September 2015	34 956	132	35 088
Opening equity, 1 January 2014	33 510	100	33 610
Total comprehensive income for the period	5 127	1	5 128
Non-controlling interest in acquired companies	-	33	33
Non-controlling interest new stock issue	-	23	23
Personnel options program	33	-	33
Hedge of personnel options program	53	-	53
Dividends	-4 390	-	-4 390
Closing equity, 30 September 2014	34 333	157	34 490

THE GROUP

CASH FLOW STATEMENT

MSEK	Q3 2014	Q3 2015	Q1-3 2014	Q1-3 2015
<i>Continuing operations</i>				
<i>Cash flow from operating activities</i>				
Income after financial income and expenses	2 033	1 871	6 182	5 043
Adjustment for depreciation, amortization and impairment losses	1 113	1 087	3 046	3 475
Adjustment for items that do not require the use of cash etc.	-339	-171	-691	946
Income tax paid	-342	-406	-1 368	-1 358
Cash flow from operations before changes in working capital, continuing operations	2 464	2 381	7 170	8 105
<i>Changes in working capital</i>				
Change in inventories	976	712	2	998
Change in operating receivables	600	903	-654	34
Change in operating liabilities	-373	103	-398	570
Cash flow from changes in working capital, continuing operations	1 203	1 719	-1 050	1 601
Investments in rental equipment	-170	-189	-382	-472
Divestments of rental equipment	40	42	136	154
Cash flow from operations, continuing operations	3 538	3 953	5 873	9 389
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash	-47	-7	-2 834	-7
Investments in tangible assets	-902	-722	-2 529	-2 075
Proceeds from sale of tangible assets	94	52	226	111
Investments in intangible assets	-157	-264	-569	-687
Proceeds from sale of intangible assets	0	2	5	3
Other investments, net	-19	-16	-39	-27
Cash flow from investing activities, continuing operations	-1 031	-954	-5 740	-2 683
Net cash flow after investing activities	2 507	2 999	134	6 706
<i>Cash flow from financing activities</i>				
Change in interest-bearing debt	158	383	4 507	-2 119
Dividends paid	0	0	-4 390	-4 393
Cash flow from financing activities, continuing operations	158	383	117	-6 512
Cash flow from continuing operations	2 665	3 382	251	194
Cash flow from discontinued operations	-239	-399	-470	-648
Cash flow for the period, Group total	2 426	2 983	-219	-453
Cash and cash equivalents at beginning of the period	2 490	2 936	5 076	6 327
Exchange-rate differences in cash and cash equivalents	72	-28	131	17
Cash and cash equivalents at the end of the period	4 988	5 890	4 988	5 890
<i>Discontinued operations</i>				
Cash flow from operations	-242	-385	-463	-668
Cash flow from investing activities	3	-14	-6	20
<i>Group Total</i>				
Cash flow from operations	3 296	3 568	5 410	8 722
Cash flow from investing activities	-1 028	-968	-5 746	-2 663
Cash flow from financing activities	158	383	117	-6 512
Group total cash flow	2 426	2 983	-219	-453

THE PARENT COMPANY

INCOME STATEMENT

MSEK	Q1-3 2014	Q1-3 2015
Revenue	12 264	11 610
Cost of sales and services	-8 794	-7 891
Gross profit	3 470	3 719
Selling expenses	-490	-391
Administrative expenses	-1 653	-2 181
Research and development costs	-967	-1 038
Other operating income and expenses	-1 083	-959
Operating profit	-723	-850
Income from shares in Group companies	1 791	7 748
Income from shares in associated companies	5	10
Interest income/expenses and similar items	-747	-293
Profit after financial items	326	6 615
Income tax expense	2	23
Profit for the period	328	6 638

The classification of certain profit and loss items has changed as from 2015 affecting administrative expenses and other operating income and expenses. Comparative figures have been adjusted accordingly.

BALANCE SHEET

MSEK	31 DEC 2014	30 SEP 2014	30 SEP 2015
Intangible assets	8	8	12
Property, plant and equipment	7 740	7 610	7 635
Financial assets	46 370	45 876	46 999
Inventories	3 591	3 980	3 500
Current receivables	17 279	17 001	15 139
Cash and cash equivalents	1	5	1
Total assets	74 989	74 480	73 286
Total equity	28 196	22 775	30 505
Untaxed reserves	4	4	4
Provisions	600	558	557
Non-current interest-bearing liabilities	25 761	26 690	23 489
Non-current non-interest-bearing liabilities	47	69	104
Current interest-bearing liabilities	8 478	18 895	13 095
Current non-interest-bearing liabilities	11 903	5 489	5 532
Total equity and liabilities	74 989	74 480	73 286
Pledged assets	-	-	-
Contingent liabilities	15 938	15 886	15 628
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	9 561	20 201	11 588
Investments in fixed assets	1 227	886	588

MARKET OVERVIEW, THE GROUP

ORDER INTAKE AND INVOICED SALES PER MARKET AREA THIRD QUARTER 2015

MARKET AREA	ORDER INTAKE	CHANGE *		SHARE	INVOICED SALES	CHANGE *		SHARE
	MSEK	%	% ¹⁾	%		MSEK	%	
THE GROUP								
Europe	7 472	-6	-6	39	7 838	-4		39
North America	4 188	-10	-10	21	4 441	-12		21
South America	1 207	-9	-9	6	1 124	-12		5
Africa/Middle East	1 968	-18	-18	10	2 178	+13		10
Asia	3 846	-10	-5	19	4 268	-5		21
Australia	1 045	+16	-4	5	896	-12		4
Total continuing operations	19 726	-8	-8	100	20 745	-6		100
Discontinued operations	466	-23	-23	-	1 347	-14		-
Group total	20 192	-8	-8	-	22 092	-6		-
SANDVIK MACHINING SOLUTIONS								
Europe	4 006	-4	-4	51	4 051	-3		52
North America	1 785	-13	-13	23	1 804	-11		23
South America	188	-17	-17	2	186	-19		2
Africa/Middle East	118	+120	+120	2	107	+93		1
Asia	1 684	-4	-4	21	1 625	-6		21
Australia	60	-2	-2	1	63	-0		1
Total	7 841	-6	-6	100	7 836	-5		100
SANDVIK MINING								
Europe	429	-11	-11	9	589	+24		10
North America	861	+4	+4	17	925	+16		16
South America	719	-6	-6	14	654	-5		11
Africa/Middle East	1 371	-10	-10	28	1 577	+17		28
Asia	956	+20	+20	19	1 230	+10		22
Australia	641	-11	-11	13	737	-16		13
Total continuing operations	4 977	-3	-3	100	5 712	+7		100
Discontinued operations	466	-23	-23	-	1 347	-14		-
Sandvik Mining total	5 443	-5	-5	-	7 059	+2		-
SANDVIK MATERIALS TECHNOLOGY								
Europe	1 432	-5	-5	51	1 511	-8		48
North America	781	+2	+2	27	826	-27		26
South America	56	+2	+2	2	61	+6		2
Africa/Middle East	35	-59	-59	1	69	+21		2
Asia	527	-39	-16	18	678	-16		21
Australia	16	-2	-2	1	16	-4		1
Total	2 847	-12	-7	100	3 161	-13		100
SANDVIK CONSTRUCTION								
Europe	787	-5	-5	35	797	-14		39
North America	328	-13	-13	15	441	+3		22
South America	149	-12	-12	7	127	-37		6
Africa/Middle East	251	-52	-52	12	237	-9		12
Asia	366	-14	-14	17	388	-21		19
Australia	298	N/M	+173	14	47	-16		2
Total	2 179	-6	-15	100	2 037	-15		100
SANDVIK VENTURE								
Europe	819	-10	-10	43	890	-4		45
North America	430	-33	-33	23	440	-36		22
South America	95	-18	-18	5	97	+3		5
Africa/Middle East	192	-19	-19	10	188	-8		9
Asia	312	-28	-28	17	346	-7		17
Australia	30	-47	-47	2	33	-41		2
Total	1 878	-21	-21	100	1 994	-14		100

* At fixed exchange rates for comparable units compared with the year-earlier period

1) Excluding major orders

THE GROUP

ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015	CHANGE Q3 % % ¹⁾	
<i>Continuing operations</i>										
Sandvik Machining Solutions	7 719	7 768	7 711	8 129	31 328	8 596	8 355	7 841	+2	-6
Sandvik Mining	4 840	4 968	4 931	4 894	19 633	5 610	5 840	4 977	+1	-3
Sandvik Materials Technology	4 633	3 449	3 335	3 296	14 713	3 725	3 054	2 847	-15	-12
Sandvik Construction	2 336	2 013	2 184	2 038	8 571	2 376	2 348	2 179	-0	-6
Sandvik Venture	1 749	1 741	2 182	2 123	7 795	2 263	2 165	1 878	-14	-21
Group activities	4	6	3	5	17	4	4	4		
Continuing operations	21 281	19 945	20 346	20 485	82 057	22 574	21 766	19 726	-3	-8
Discontinued operations	1 215	1 248	635	802	3 900	592	977	466	-27	-23
Group total	22 496	21 194	20 981	21 286	85 957	23 167	22 743	20 192	-4	-8

INVOICED SALES BY BUSINESS AREA

MSEK	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015	CHANGE Q3 % % ¹⁾	
<i>Continuing operations</i>										
Sandvik Machining Solutions	7 400	7 676	7 658	8 122	30 856	8 438	8 339	7 836	+2	-5
Sandvik Mining	5 104	4 969	5 121	5 349	20 543	5 489	5 710	5 712	+12	+7
Sandvik Materials Technology	3 547	3 866	3 735	3 758	14 907	3 712	3 639	3 161	-15	-13
Sandvik Construction	1 871	2 281	2 232	2 169	8 553	2 144	2 283	2 037	-9	-15
Sandvik Venture	1 362	1 841	2 155	2 301	7 658	2 172	2 226	1 994	-7	-14
Group activities	2	2	7	5	16	5	3	5		
Continuing operations	19 286	20 635	20 908	21 704	82 533	21 960	22 200	20 745	-1	-6
Discontinued operations	1 497	1 416	1 685	1 689	6 288	1 374	1 198	1 347	-20	-14
Group total	20 783	22 051	22 593	23 394	88 821	23 334	23 398	22 092	-2	-6

OPERATING PROFIT BY BUSINESS AREA

MSEK	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015	CHANGE Q3 %
<i>Continuing operations</i>									
Sandvik Machining Solutions	1 480	1 561	1 496	1 622	6 159	1 129	1 701	1 459	-2
Sandvik Mining	657	481	640	705	2 483	215	860	847	+32
Sandvik Materials Technology	421	647	482	330	1 880	100	286	49	-90
Sandvik Construction	-11	51	1	4	45	-95	151	99	N/M
Sandvik Venture	233	187	133	335	888	192	210	91	-31
Group activities	-333	-342	-264	-312	-1 250	-342	-231	-220	
Continuing operations	2 447	2 585	2 488	2 684	10 205	1 199	2 977	2 325	-7
Discontinued operations	31	-29	-26	-61	-85	-147	-74	-1 004	N/M
Group total²⁾	2 478	2 556	2 462	2 623	10 120	1 052	2 903	1 321	-46

OPERATING MARGIN BY BUSINESS AREA

%	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015
<i>Continuing operations</i>								
Sandvik Machining Solutions	20.0	20.3	19.5	20.0	20.0	13.4	20.4	18.6
Sandvik Mining	12.9	9.7	12.5	13.2	12.1	3.9	15.1	14.8
Sandvik Materials Technology	11.9	16.7	12.9	8.8	12.6	2.7	7.9	1.5
Sandvik Construction	-0.6	2.3	0.0	0.2	0.5	-4.4	6.6	4.9
Sandvik Venture	17.1	10.2	6.2	14.6	11.6	8.8	9.5	4.6
Continuing operations	12.7	12.5	11.9	12.4	12.4	5.5	13.4	11.2
Discontinued operations	2.1	-2.0	-1.6	-3.6	-1.3	-10.7	-6.2	-74.6
Group total	11.9	11.6	10.9	11.2	11.4	4.5	12.4	6.0

1) Change compared with preceding year at fixed exchange rates for comparable units

2) Internal transactions had negligible effect on business area profits

N/M = non-meaningful

THE GROUP

ADJUSTED OPERATING PROFIT BY BUSINESS AREA

MSEK	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015	CHANGE Q3 %
<i>Continuing operations</i>									
Sandvik Machining Solutions	1 480	1 561	1 496	1 622	6 159	1 809	1 701	1 459	-2
Sandvik Mining	657	481	640	705	2 483	841	860	847	+32
Sandvik Materials Technology	421	647	482	259	1 809	365	286	49	-90
Sandvik Construction	-11	51	1	4	45	65	151	99	N/M
Sandvik Venture	233	262	137	335	967	202	210	91	-31
Group activities	-333	-342	-264	-312	-1 250	-306	-231	-220	
Continuing operations	2 447	2 660	2 492	2 613	10 213	2 977	2 977	2 325	-7
Discontinued operations	31	-29	-26	-61	-85	-43	-74	-6	-75
Group total ²⁾	2 478	2 631	2 466	2 552	10 128	2 934	2 903	2 319	-6

ADJUSTED OPERATING MARGIN BY BUSINESS AREA

%	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-4 2014	Q1 2015	Q2 2015	Q3 2015
<i>Continuing operations</i>								
Sandvik Machining Solutions	20.0	20.3	19.5	20.0	20.0	21.4	20.4	18.6
Sandvik Mining	12.9	9.7	12.5	13.2	12.1	15.3	15.1	14.8
Sandvik Materials Technology	11.9	16.7	12.9	6.9	12.1	9.8	7.9	1.5
Sandvik Construction	-0.6	2.3	0.0	0.2	0.5	3.0	6.6	4.9
Sandvik Venture	17.1	14.2	6.4	14.6	12.6	9.3	9.5	4.6
Continuing operations	12.7	12.9	11.9	12.0	12.4	13.6	13.4	11.2
Discontinued operations	2.1	-2.0	-1.6	-3.6	-1.3	-3.1	-6.2	-0.5
Group total	11.9	11.9	10.9	10.9	11.4	12.6	12.4	10.5

1) Change compared with preceding year at fixed exchange rates for comparable units

2) Internal transactions had negligible effect on business area profits

N/M = non-meaningful

KEY FIGURES

	Q3 2014	Q3 2015	Q1-4 2014
<i>Continuing operations</i>			
Tax rate, %	26.7	33.1	27.2
Return on capital employed, % ²⁾	12.2	11.9	14.0
Return on total equity, % ²⁾	14.9	14.6	17.7
Return on total capital, % ²⁾	9.3	9.0	10.7
Shareholders' equity per share, SEK	27.4	27.9	29.1
Net debt/equity ratio	0.87	0.77	0.75
Equity/assets ratio, %	34	34	35
Net working capital, %	32	30	30
Earnings per share, SEK	1.19	1.01	4.88
Cash flow from operations, MSEK	+3 538	+3 953	+9 898
Number of employees	46 477	45 361	46 044

	Q3 2014	Q3 2015	Q1-4 2014
<i>Group total</i>			
Tax rate, %	27.2	72.4	27.5
Return on capital employed, % ²⁾	11.1	10,2	13.4
Return on total equity, % ²⁾	13.5	10,9	17.4
Return on total capital, % ²⁾	8.5	7.6	10.3
Shareholders' equity per share, SEK	27.4	27.9	29.1
Net debt/equity ratio	0.87	0.77	0.75
Equity/assets ratio, %	33	33	34
Net working capital, %	30	28	28
Earnings per share, SEK	1.17	0.20	4.79
Cash flow from operations, MSEK	+3 296	+3 568	+9 515
Number of employees	47 808	46 541	47 318
No. of shares outstanding at end of period ('000) ¹⁾	1 254 386	1 254 386	1 254 386
Average no. of shares('000) ¹⁾	1 254 386	1 254 386	1 254 386

1) No dilution effect during the period.

2) Rolling 12 months

DISCLAIMER 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 move-

ments, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.

ANNUAL GENERAL MEETING

The Board of Directors has decided that the 2016 Annual General Meeting will be held in Sandviken, Sweden, on

28 April 2016. The notice to convene the AGM will be made in the prescribed manner.

Stockholm, 23 October 2015
Sandvik Aktiebolag (publ)

Mats Backman
Acting President and CEO

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the interim report of Sandvik AB as of 30 September, 2015 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on review engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Audit-

ing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 23 October 2015
KPMG AB

George Pettersson
Authorized public accountant

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information is submitted for publication on 23 October 2015 at 08:00 CET. The report for the fourth quarter 2015 will be published on 3 February 2016.

Additional information may be obtained from Sandvik Investor Relations at tel +46 8 456 14 94 (Ann-Sofie Nordh), +46 8 456 12 30 (Oskar Lindberg), +46 8 456 11 94 (Anna Vilogorac) or by e-mailing info.ir@sandvik.com.

A presentation and teleconference will be held on 23 October 2015 at 11:00 CET at the World Trade Center in Stockholm.

Information is available at www.sandvik.com/ir

CALENDAR 2016:

3 February	Fourth-quarter report 2015
28 April	Annual General Meeting in Sandviken

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