

INTERIM REPORT THIRD QUARTER

AND FIRST NINE MONTHS OF 2016



EARNINGS GROWTH, MARGIN EXPANSION AND STRONG CASH FLOW

CEO'S COMMENT: "I am pleased with the development during the third quarter, which was an eventful three months. We achieved both earnings growth and margin improvement, despite negative organic growth. Our cash flow from operations reached a record high for a third quarter. We achieved this in a period of transition for Sandvik, as we have restructured the Group into three business areas and implemented the more decentralized business model, targeting improved transparency, accountability and speed", says Björn Rosengren, President and CEO of Sandvik.

"We carried out important product launches in the period, breaking new ground through the introduction of digital tools for use in the cutting tool industry. We also launched new battery powered mining equipment. These products create further value for our customers by driving productivity, safety and sustainability."

"As previously communicated, we took another step toward a focus on core operations by successfully finding a new owner, CoBe Capital, for the Mining Systems business. We expect to close the deal during the fourth quarter. The transaction resulted in a capital loss of -847 million SEK, which impacted the result of Sandvik's discontinued operations for the third quarter of 2016."

"I am excited that once again we were included in the Dow Jones Sustainability Index. We improved our performance even further and we performed better than 98% of the other companies assessed. This was a great achievement."

"Although organic growth declined by -5%, the operating result improved by 13% compared with year-earlier period. The operating margin improved significantly to 13.3% (11.2), as we reap the rewards of ongoing efficiency programs and strict cost control. Even excluding the positive impact from changed exchange rates, earnings still showed an improvement."

"Organic order intake remained stable compared with the corresponding period last year, resulting in a neutral book-to-bill. The three major regions - Europe, North America and Asia - reported flat to positive growth in order intake, while other regions weighed on the total. Sandvik Mining and Rock Technology reported growth in order intake on the back of favorable development for mining equipment. During the quarter, we noted some initial signs of improvement in the segment for exploration mining. Customer activity in the automotive and general engineering segments remained stable. Although demand in the energy segment declined overall, Sandvik Materials Technology received a large order for products related to the oil and gas industry."

FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
<i>Continuing operations</i>						
Order intake ¹⁾	19 726	19 700	+0	64 066	59 868	-4
Revenues ¹⁾	20 745	19 715	-5	64 905	59 735	-5
Gross profit	7 519	7 522	+0	23 494	23 084	-2
% of revenues	36.2	38.2		36.2	38.6	
Operating profit	2 325	2 623	+13	6 501	7 741	+19
% of revenues	11.2	13.3		10.0	13.0	
Adjusted operating profit ²⁾	2 325	2 623	+13	8 279	7 741	-6
% of revenues ²⁾	11.2	13.3		12.8	13.0	
Profit after financial items	1 871	2 223	+19	5 043	6 506	+29
% of revenues	9.0	11.3		7.8	10.9	
Profit for the period	1 251	1 611	+29	3 621	4 737	+31
% of revenues	6.0	8.2		5.6	7.9	
of which shareholders' interest	1 261	1 612	+28	3 644	4 766	+31
Earnings per share, SEK	1.01	1.29	+28	2.90	3.80	+31
Return on capital employed, %	11.9	11.4		11.9	11.4	
Cash flow from operations	+3 953	+4 527	+15	+9 389	+8 179	-13
Net working capital, %	30	29		30	29	
<i>Discontinued operations</i>						
Profit for the period	-1 015	-1 002	+1	-1 255	-1 115	+11
Earnings per share, SEK	-0.81	-0.80	+1	-1.00	-0.89	+11
<i>Group Total</i>						
Profit for the period	236	609	N/M	2 366	3 622	+53
Earnings per share, SEK	0.20	0.49	N/M	1.90	2.91	+53

1) Change from the preceding year at fixed exchange rates for comparable units.
2) Operating profit adjusted for items affecting comparability of -1.8 billion SEK for the first quarter 2015.

Tables and calculations do not always agree exactly with the totals due to rounding
Comparisons refer to the year-earlier period, unless stated otherwise
For definitions see home.sandvik

MARKET DEVELOPMENT AND EARNINGS

GROWTH

Q3	ORDER INTAKE	REVENUES
Price/volume, %	+0	-5
Structure, %	0	0
Currency, %	-1	0
TOTAL, %	0	-5

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

Order intake for the third quarter remained on par with the year-earlier period, at fixed exchange rates for comparable units. Notably, order intake excluding major orders also remained stable.

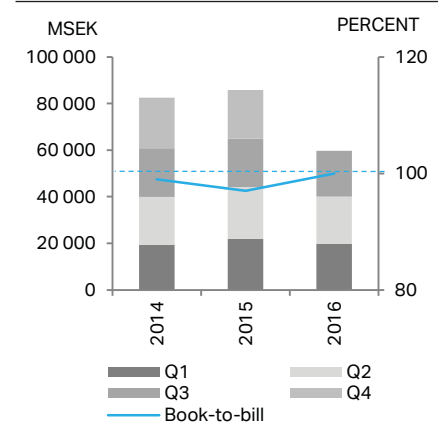
The three major regions - Europe, North America and Asia - reported flat to positive growth in order intake, whilst other regions declined. China had a positive impact on order intake in the Asia region. Sandvik Mining and Rock Technology was the primary driver of organic order growth at 5% year on year, driven predominantly by good progress in the mining equipment business. Sandvik Materials Technology reported stable order intake while Sandvik Machining Solutions declined by -4%. Demand in the energy segment remained muted, although Sandvik Materials Technology received a major order from the oil and gas industry. In the mining segment, initial signs of higher activity were noted in the exploration business, - albeit from a very low level. The after-market business remained stable compared with the year-earlier period. The automotive segment remained stable overall, the result of higher activity in Asia, while Europe remained stable and North America declined. The general engineering and construction segments remained stable overall.

Changed exchange rates had a negative impact of about -1% on order intake and a neutral impact on revenues.

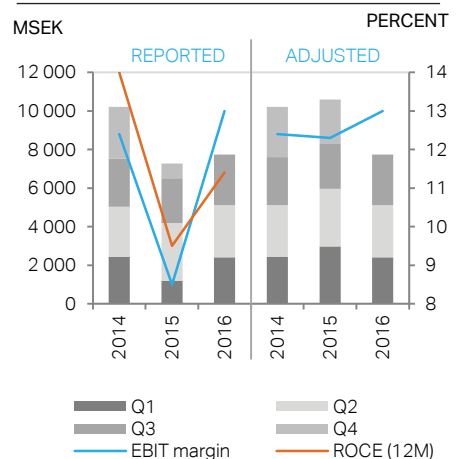
Both operating profit and operating margin improved compared with the year-earlier period. Operating profit improved by 13% to 2,623 million SEK (2,325). The operating margin amounted to 13.3% (11.2), representing an improvement even when excluding the positive impact of 0.4% from changed exchange rates.

Total costs for sales and administration were reduced by -3% year on year, corresponding to -143 million SEK, primarily related to sales costs. The ratio to revenues remained unchanged at 22% (22). Savings from announced ongoing structural and other improvement programs amounted to 193 million SEK compared with the preceding year, including a reduction in sales and administration costs. The depreciation of the SEK against some trading currencies as well as the impact from revaluation of balance sheet items had a positive impact on the operating profit of 62 million SEK for the quarter (370). Changed metal prices positively impacted results by 51 million SEK (-135). The tax rate in the third quarter was 27.5% (33.1) for continuing operations. The total tax rate for the Group was 50.1% (72.4) for the quarter, adversely impacted by a non-deductible capital loss of -847 million SEK related to discontinued operations, as announced earlier.

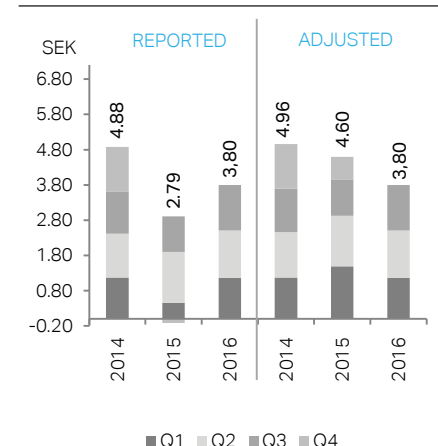
REVENUES AND BOOK-TO-BILL



OPERATING PROFIT & RETURN



EARNINGS PER SHARE



CASH FLOW AND BALANCE SHEET

Total assets for the Group decreased year on year primarily due to the impact of reduction in net working capital. Total assets remained largely stable compared with the preceding quarter.

Net working capital decreased by about 1.8 billion SEK year on year to a total of 21.9 billion SEK. The decrease was supported by the focused volume reduction of net working capital during 2015. Net working capital in relation to revenues was reduced to 29% (30). There was a seasonal reduction of net working capital compared with the preceding quarter.

Investments in tangible and intangible assets in the third quarter amounted to 871 million SEK (986), corresponding to 87% of scheduled depreciations. Investments are seasonally higher in the second half of the year.

Financial net debt amounted to 33.5 billion SEK in the third quarter, declining year on year (36.2) as well as sequentially (35.4). Consequently, the net debt to equity ratio was reduced year on year to 0.95 (1.03). The net pension liability was 7.6 billion SEK (6.0) and increased due to lowered discount rates. Interest-bearing debt with short-term maturity accounted for 15% of total debt.

Cash flow from operations improved year on year and amounted to 4.5 billion SEK (4.0), an all-time high for a third quarter. The higher level of operating cash flow was primarily related to higher operating result and lower paid tax.

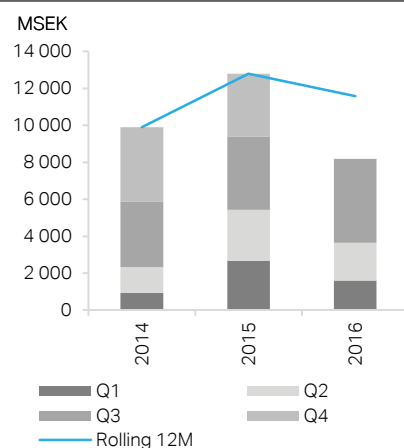
The free operating cash flow improved by 12% year on year to 4.3 billion SEK, to be related to the operating profit of 2.6 billion SEK.

CASH FLOW	Q3 2015	Q3 2016
EBITDA	3 412	3 733
Non-cash items	-171	-177
Net Working Capital change	1 719	1 790
Capex*	-1 079	-1 004
FREE OPERATING CASH FLOW**	3 881	4 342
Net financial items	-454	-400
Paid tax	-406	-219
Cash flow from investing activities	+954	+754
Acquisitions of companies and shares, net of cash	-7	-
Proceeds from sale of companies and shares, net of cash	-	+47
Other investments, net	-16	+3
CASH FLOW FROM OPERATIONS	3 953	4 527

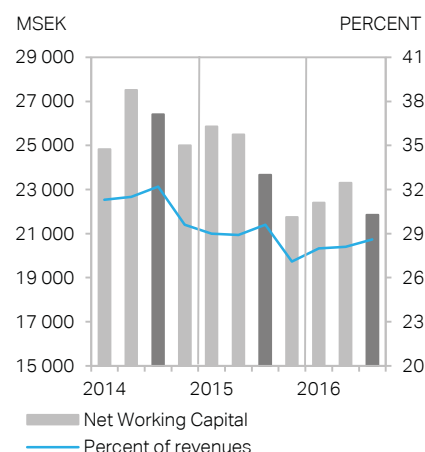
*Including investments and disposals of rental equipment, tangible and intangible assets

**Free operating cash flow before acquisitions and disposals of companies, financial items and taxes

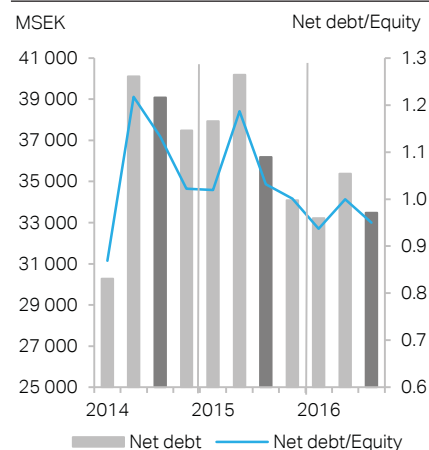
CASH FLOW FROM OPERATIONS



NET WORKING CAPITAL



NET DEBT, GROUP TOTAL



SANDVIK MACHINING SOLUTIONS

EARNINGS GROWTH AND MARGIN EXPANSION

MUTED DEMAND

DIGITAL TOOLS INTRODUCED ON THE MARKET



GROWTH

Q3	ORDER INTAKE	REVENUES
Price/volume, %	-4	-4
Structure, %	+0	+0
Currency, %	-0	-0
TOTAL, %	-4	-4

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 in Asia remained largely stable at -1%, while Europe and North America declined by -3% and -7%, respectively.

Key items impacting orders and revenues compared with the year-earlier period:

- Growth rates for both order intake and revenues were adversely impacted by about -1% due to tough comparables from the year-earlier period during which some bulk orders were received in Germany and Japan.
- The number of working days had a negative impact of about -1% on organic growth for both order intake and revenues.
- Underlying demand in Europe remained stable overall, with increased demand among aerospace customers and stable development in the automotive and general engineering segments, while energy related demand declined.
- North America was the weakest market in relative terms, adversely impacted by softer demand in the automotive, energy and general engineering segments, the combined effect of which more than off-set a positive development in aerospace.
- In the Asia region, China remained stable year on year. Overall in Asia, demand in the automotive and aerospace segments improved, while general engineering remained stable and energy declined.
- The first digital tools were introduced on the market, breaking new ground for the cutting tool industry.

Despite negative organic growth, the operating profit improved by 11% and the operating margin was 21.0% (18.1), including a positive currency impact.

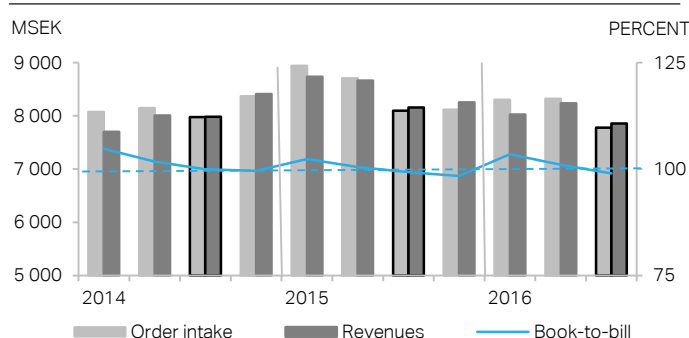
Items impacting operating profit and margin:

- Strict cost control and improvement programs in all areas.
- Compared with last year, lower rate of inventory reductions

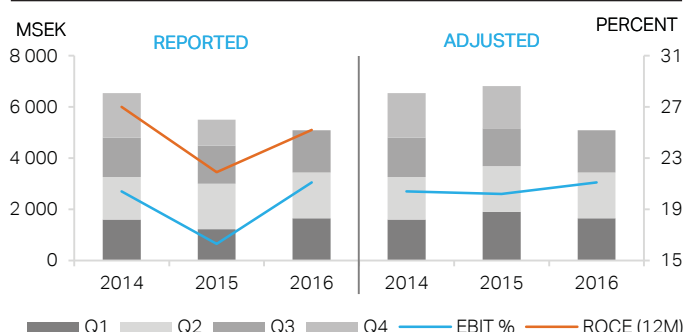
supported operating margin by about 1 percentage point.

- Changed exchange rates had a positive impact on operating profit of 64 million SEK (115).
- Ongoing announced efficiency measures generated year on year savings of 94 million SEK, yielding an annual run rate of 373 million SEK.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK

	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	8 099	7 776	-4 *	25 744	24 400	-3*
Revenues	8 159	7 859	-4 *	25 556	24 119	-4*
Operating profit	1 481	1 650	+11	4 488	5 087	+13
% of revenues	18.1	21.0		17.6	21.1	
Adjusted operating profit**	1 481	1 650	+11	5 168	5 087	-2
% of revenues**	18.1	21.0		20.2	21.1	
Return on capital employed, %	24.5	25.2		24.5	25.2	
Number of employees	19 180	18 103	-6	19 180	18 103	-6

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -680 million SEK in Q1 2015. For definitions see home.sandvik

SANDVIK MINING AND ROCK TECHNOLOGY

STRONG GROWTH IN ORDER INTAKE

INITIAL SIGNS OF IMPROVING ACTIVITY IN EXPLORATION MINING

ONGOING EFFICIENCY MEASURES



GROWTH

Q3	ORDER INTAKE	REVENUES
Price/volume, %	+5	-5
Structure, %	+0	+0
Currency, %	-1	-1
TOTAL, %	+3	-6

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

Order intake exceeded revenues, for a book-to-bill of 102%. Organic order intake improved by 5% year on year. Revenues declined by -5%, due to a recent subdued order intake.

Key items impacting orders and revenues compared with the year-earlier period:

- Growth in order intake was primarily related to a positive development in the mining equipment business, while the aftermarket business remained stable.
- In the aftermarket business, there was a material decline in demand for consumables for the oil and gas industry.
- Initial signs of higher customer activity - albeit from a low level - in the mining exploration business were noted, predominantly related to gold.
- Demand related to construction remained stable year on year, with the relatively stronger customer activity in tunneling.
- Revenues declined slightly for the equipment business, on the back of muted order intake in previous quarters.
- Revenues from the aftermarket offering remained largely stable.

On the back of negative organic growth in revenues as well as a slight adverse impact from currency, operating profit declined by -10%, and the operating margin contracted year on year to 10.5% (11.0).

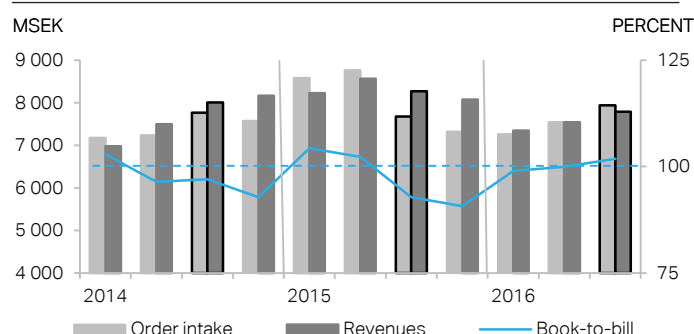
Items impacting operating profit and margin:

- Changed exchange rates adversely impacted operating profit by -23 million SEK (167).
- The completed supply chain optimization and other efficiency programs generated year on year savings of 54

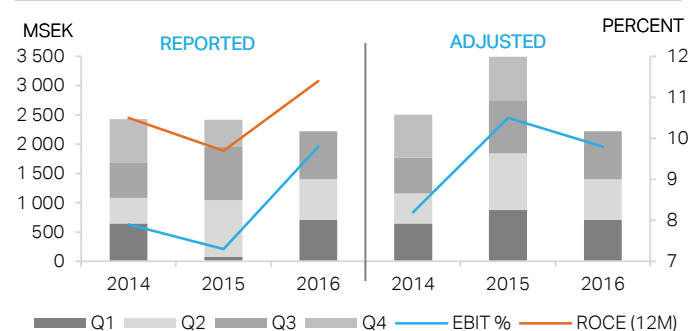
million SEK, yielding an annual run rate of 216 million SEK.

- A significant reduction in inventories resulted in a four-year low for net working capital in absolute terms and in relation to revenues.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	7 676	7 936	+5 *	25 013	22 741	-4*
Revenues	8 270	7 791	-5 *	25 058	22 675	-4*
Operating profit	907	817	-10	1 953	2 220	+14
% of revenues	11.0	10.5		7.8	9.8	
Adjusted operating profit**	907	817	-10	2 749	2 220	-19
% of revenues**	11.0	10.5		11.0	9.8	
Return on capital employed, %	10.6	11.4		10.6	11.4	
Number of employees	14 619	14 049	-4	14 619	14 049	-4

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -796 million SEK in Q1 2015. For definitions see home.sandvik

SANDVIK MINING AND ROCK TECHNOLOGY

CONTINUING OPERATIONS

FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	7 676	7 936	+5 *	25 013	22 741	-4*
Revenues	8 270	7 791	-5 *	25 058	22 675	-4*
Operating profit	907	817	-10	1 953	2 220	+14
% of revenues	11.0	10.5		7.8	9.8	
Adjusted operating profit**	907	817	-10	2 749	2 220	-19
% of revenues**	11.0	10.5		11.0	9.8	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -796 million SEK in Q1 2015.

DISCONTINUED OPERATIONS

FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	466	219	-54 *	2 036	1 655	-13*
Revenues	1 347	724	-47 *	3 919	2 159	-41*
Operating profit	-1 004	-1 012	-1	-1 225	-1 122	+8
% of revenues	-74.6	-139.8		-31.3	-52.0	
Adjusted operating profit**	-7	-1 012	N/M	-123	-1 122	N/M
% of revenues**	-0.5	-139.8		-3.1	-52.0	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -104 million SEK in Q1 2015, -998 million SEK in Q3 2015.

The underlying market for Mining Systems (discontinued operations) remained challenging as customers continued to postpone projects. As a consequence, price pressure remained tangible. Order intake declined by -54% year on year and revenues declined by -47% year on year at fixed exchange rates for comparable units.

The operating loss amounted to -1,012 million SEK, including a capital loss of -847 million SEK, as announced earlier. Changed exchange rates impacted earnings positively by 4 million SEK.

During the third quarter Sandvik signed an agreement to divest its Mining Systems operations. Closure of the deal is expected to take place in the fourth quarter 2016.

SANDVIK MINING AND ROCK TECHNOLOGY TOTAL

FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	8 142	8 155	+2 *	27 049	24 396	-5*
Revenues	9 616	8 515	-11 *	28 977	24 834	-9*
Operating profit	-98	-195	+100	728	1 098	+51
% of revenues	-1.0	-2.3		2.5	4.4	
Adjusted operating profit**	900	-195	N/M	2 626	1 098	-58
% of revenues**	9.4	-2.3		9.1	4.4	

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -900 million SEK in Q1 2015, -998 million SEK in Q3 2015.

SANDVIK MATERIALS TECHNOLOGY

STABLE ORGANIC ORDER DEVELOPMENT

LARGE OIL & GAS RELATED ORDER RECEIVED

SEASONALLY WEAK QUARTER



GROWTH

Q3	ORDER INTAKE	REVENUES
Price/volume, %	-0	-7
Structure, %	0	0
Currency, %	+0	+0
TOTAL, %	+0	-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.

Organic order intake remained stable, compared with the year-earlier period, supported by a large order to the oil and gas industry. Lower alloy surcharges adversely impacted both order intake and revenues by -2%, primarily related to Nickel.

Key items impacting orders and revenues compared with the year-earlier period:

- General customer activity remained stable in the strategic capex related tubular offering for the energy segment. A major order valued at about 350 million SEK was received with deliveries primarily planned for early 2017.
- Demand for the more standardized tubular offering weakened, resulting in intensified competition and price pressure.
- Weaker demand for wire products, primarily related to welding products in the energy segment.
- Customer activity in the nuclear segment increased, predominantly in Asia, although this has yet to be translated in to orders.
- Market demand for the fine powder offering continued to trend positively.

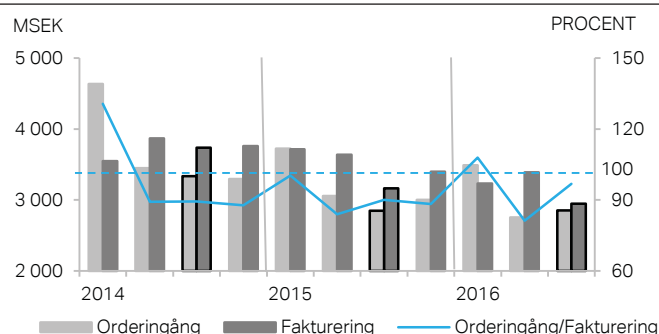
The reported operating margin was 6.7% (1.5) and the underlying operating margin – excluding the impact of metal price effects – decreased to 5.0% (5.8), adversely impacted by changed exchange rates.

Items impacting operating profit and margin:

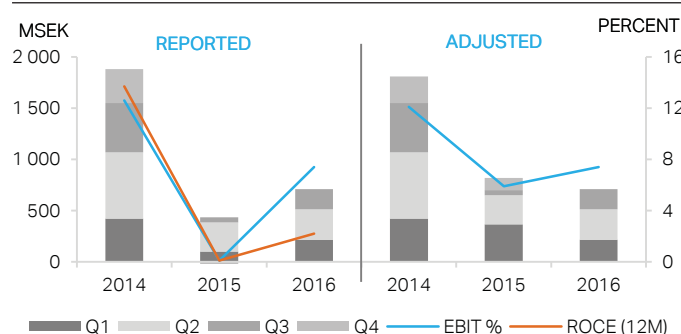
- The ongoing program to mitigate the effects from the downturn in the oil and gas industry progressed and including continued personnel reduction.
- Changed exchange rates had a negative impact of -30 million SEK (65) on operating profit.

- Changed metal prices had a positive impact of 51 million SEK (-135) on the reported operating profit.
- Savings from announced restructuring programs amounted to 31 million SEK, year on year, yielding an annual run rate of 99 million SEK.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK

	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	2 847	2 851	-0*	9 626	9 093	-5*
Revenues	3 161	2 945	-7*	10 511	9 565	-8*
Operating profit	49	197	N/M	435	711	+63
% of revenues	1.5	6.7		4.1	7.4	
Adjusted operating profit**	49	197	N/M	700	711	+2
% of revenues**	1.5	6.7		6.7	7.4	
Return on capital employed, %	5.7	2.2		5.7	2.2	
Number of employees	6 610	6 477	-2	6 610	6 477	-2

* At fixed exchange rates for comparable units. ** Operating profit adjusted for items affecting comparability of -265 million SEK in Q1 2015. For definitions see home.sandvik

OTHER OPERATIONS

Organic order intake remained largely stable at -1%, supported by good development for Process Systems, compared with the year-earlier period. Revenues declined by -6%.

Key items impacting orders and revenues compared with the year-earlier period:

- Process Systems: Order intake improved year on year and a positive book-to-bill was reported. Customer activity was relatively higher in the chemical segment for example, fertilizers, while a more subdued market environment was noted in the wood-based panels and food segments. Revenues declined year on year, partially due to the timing of shipments.
- Hyperion: both order intake and revenues declined year on year, hampered by weaker customer activity in several segments, not least in energy.

Operating earnings improved by 5% and the operating margin increased to 10.2% (9.4), supported primarily by positive impact from changed exchange rates compared with the year-earlier period.

Items impacting operating profit and margin:

- Operating profit and operating margin improved in Hyperion, supported by tight cost control and the completion of a unit closure during the quarter.

GROWTH

Q3	ORDER INTAKE	REVENUES
Price/volume, %	-1	-6
Structure, %	+2	+1
Currency, %	+2	+2
TOTAL, %	+3	-3

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

- On the back of the negative organic growth in revenues, Process Systems reported a slight year on year decline in operating profit and a lower operating margin.
- Changed exchange rates had a positive impact of 28 million SEK (2) on operating profit.
- Savings from announced restructuring programs amounted to 7 million SEK, year on year, yielding an annual run rate of 28 million SEK.

FINANCIAL OVERVIEW, MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
Order intake	1 099	1 132	-1*	3 671	3 619	-2*
Revenues	1 151	1 113	-6*	3 766	3 359	-11*
Operating profit	108	113	+5	418	348	-17
% of revenues	9.4	10.2		11.1	10.4	
Adjusted operating profit	108	113	+5	418	348	-17
% of revenues	9.4	10.2		11.1	10.4	
Return on capital employed, %	15.9	11.0		15.9	11.0	
Number of employees	2 149	1 959	-9	2 149	1 959	-9

* At fixed exchange rates for comparable units.
For definitions see home.sandvik.com

PARENT COMPANY

The parent company's revenues after the third quarter of 2016 amounted to 10,988 million SEK (11,610) and the operating profit was -200 million SEK (-850). Income from shares in Group companies consists primarily of dividends and Group contributions from these and amounted after the third quarter to

1,238 million SEK (7,748). Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to 12,771 million SEK (11,588). Investments in property, plant and machinery amounted to 586 million SEK (588).

FIRST NINE MONTHS OF 2016

Demand for Sandvik's products during the first nine months of 2016 declined compared with the year-earlier period with organic growth in order intake at -4% and -5% in revenues. These were primarily adversely impacted by lower business activity in the energy segment, which to some extent had an indirectly negative effect on the general engineering segment. The impact from changed exchange rates had a negative impact of -3% on order intake and revenues. Sandvik's order intake amounted to 59,868 million SEK (64,066), and revenues were 59,735 million SEK (64,905), implying a book-to-bill ratio of 1.

Adjusted operating profit was 7,741 million SEK (8,279) and the adjusted operating margin was 13.0% (12.8), adversely impacted by -703 million SEK (1,900) due to changed exchange rates. Changed metal prices had a negative impact of -46 million SEK (-220). Net financial items amounted to -1,235 million SEK (-1,458) and the profit after financial items was 6,506 million SEK (5,043). The tax rate was 27.2% (28.2) for continuing operations and 32.8% for the Group (37.5). Profit for the period amounted to 4,737 million SEK (3,621). Earnings per share for the Group total amounted to 2.91 SEK (1.90). Cash flow from operations was 8,179 million SEK (9,389).

ACQUISITIONS AND DIVESTMENTS

ACQUISITIONS DURING THE MOST RECENT 12-MONTH PERIOD

	COMPANY/UNIT	CLOSING DATE	ANNUAL REVENUE, MSEK	NO OF EMPLOYEES
Sandvik Machining Solutions	Prometec GmbH	25 January 2016	48	35
Other operations	SGL Technology B.V.	15 September 2015	60	20

DIVESTMENTS DURING THE MOST RECENT 12-MONTH PERIOD

No divestments in the period.

SIGNIFICANT EVENTS

- On 18 July Sandvik announced that it had signed an agreement to divest its Mining Systems operations - reported in the Sandvik income statement as discontinued operations - to the private equity company CoBe Capital. Sandvik will maintain ownership of ongoing projects that are close to finalization.

The transaction is expected to be closed in the fourth quarter of 2016, subject to satisfaction of certain conditions precedent. The parties have agreed not to disclose the purchase price.

The transaction resulted in a capital loss of -847 million SEK which impacted the result of Sandvik's discontinued operations for the third quarter of 2016.

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 below 4.1 billion SEK for 2016
CURRENCY EFFECTS	Based on currency rates at end-September 2016, it is estimated that operating profit for the fourth quarter of 2016 will be impacted by transaction and translation currency effects of about +200 million SEK, compared with the year-earlier
METAL PRICE EFFECTS	In view of currency rates, inventory levels and metal prices at the end of September 2016, it is estimated that operating profit for the fourth quarter of 2016 will be impacted by about +50 million SEK
NET FINANCIAL ITEMS	Estimated at between -1.6 and -1.7 billion SEK in 2016 (updated from earlier -1.7 to -1.9)
TAX RATE	Estimated at about 26% - 28% for 2016

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 2016.

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 2016 or later. The standards have not had

any material impact on the consolidated accounts. Disclosure in accordance with IAS 34.16A is found in the financial statements, the related notes and also in other parts of the interim report.

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 2015.

FINANCIAL REPORTS SUMMARY

THE GROUP

INCOME STATEMENT

MSEK	Q3 2015	Q3 2016	CHANGE %	Q1-3 2015	Q1-3 2016	CHANGE %
<i>Continuing operations</i>						
Revenues	20 745	19 715	-5	64 905	59 735	-8
Cost of sales and services	-13 226	-12 193	-8	-41 411	-36 651	-11
Gross profit	7 519	7 522	+0	23 494	23 084	-2
% of revenues	36.2	38.2		36.2	38.6	
Selling expenses	-3 005	-2 882	-4	-9 634	-8 759	-9
Administrative expenses	-1 452	-1 432	-1	-5 185	-4 471	-14
Research and development costs	-622	-674	+8	-2 097	-2 175	+4
Other operating income and expenses	-115	89	N/M	-77	62	N/M
Operating profit	2 325	2 623	+13	6 501	7 741	+19
% of revenues	11.2	13.3		10.0	13.0	
Net financial items	-454	-400	-12	-1 458	-1 235	-15
Profit after financial items	1 871	2 223	+19	5 043	6 506	+29
% of revenues	9.0	11.3		7.8	10.9	
Income tax	-620	-612	-1	-1 422	-1 769	+24
Profit for the period, continuing operations	1 251	1 611	+29	3 621	4 737	+31
% of revenues	6.0	8.2		5.6	7.9	
<i>Discontinued operations</i>						
Revenues	1 347	724	-46	3 919	2 160	-45
Operating profit	-1 004	-1 012	-1	-1 225	-1 122	+8
Profit after financial items	-1 015	-1 002	+1	-1 255	-1 115	+11
Profit for the period, discontinued operations	-1 015	-1 002	+1	-1 255	-1 115	+11
<i>Group total</i>						
Revenues	22 092	20 439	-7	68 824	61 895	-10
Operating profit	1 321	1 611	+22	5 276	6 619	+25
Profit after financial items	856	1 221	+43	3 787	5 392	+42
Profit for the period, Group total	236	609	N/M	2 366	3 622	+53
<i>Items that will not be reclassified to profit or loss</i>						
Actuarial gains/(losses) on defined benefit pension plans	957	-1 536		492	-1 576	
Tax relating to items that will not be reclassified	-185	331		-121	374	
	772	-1 205		371	-1 202	
<i>Items that will be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences	252	428		4	1 545	
Cash flow hedges	-21	81		8	72	
Tax relating to items that may be reclassified	3	-18		-1	-15	
	234	491		11	1 602	
Total other comprehensive income	1 006	-714		382	400	
Total comprehensive income	1 243	-105		2 748	4 022	
<i>Profit for the period attributable to</i>						
Owners of the Parent	247	610		2 388	3 652	
Non-controlling interests	-11	-1		-23	-29	
<i>Total comprehensive income attributable to</i>						
Owners of the Parent	1 232	-104		2 747	4 052	
Non-controlling interests	12	-1		1	-29	
Earnings per share, SEK *						
Continuing operations	1.01	1.29	+28	2.90	3.80	+31
Discontinued operations	-0.81	-0.80	+1	-1.00	-0.89	+11
Group Total	0.20	0.49	N/M	1.90	2.91	+53

* No dilution effects during the period, N/M = non-meaningful
For definitions see home.sandvik.com

THE GROUP

BALANCE SHEET

CONTINUING AND DISCONTINUED OPERATIONS

MSEK	31 DEC 2015	30 SEP 2015	30 SEP 2016
Intangible assets	18 313	18 826	18 804
Property, plant and equipment	26 331	26 902	26 378
Financial assets	7 814	8 166	8 620
Inventories	21 522	23 073	21 289
Current receivables	18 767	19 931	18 424
Cash and cash equivalents	6 376	5 890	7 927
Assets held for sale	2 119	2 282	461
Total assets	101 242	105 070	101 903
Total equity	34 060	35 088	35 281
Non-current interest-bearing liabilities	35 610	38 537	36 895
Non-current non-interest-bearing liabilities	4 262	4 427	4 937
Current interest-bearing liabilities	5 190	3 867	4 959
Current non-interest-bearing liabilities	20 231	20 865	18 906
Liabilities held for sale	1 889	2 286	925
Total equity and liabilities	101 242	105 070	101 903
<i>Group total</i>			
Net working capital*	21 726	23 476	21 583
Loans	34 439	35 934	33 706
Non-controlling interests in total equity	81	132	57

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

NET DEBT

MSEK	31 DEC 2015	30 SEP 2015	30 SEP 2016
Interest-bearing liabilities excluding net pension liabilities	34 548	36 050	33 794
Net pension liabilities	5 918	6 031	7 610
Cash and cash equivalents	-6 376	-5 890	-7 927
Net debt	34 090	36 191	33 477
Net debt to equity ratio	1.00	1.03	0.95

CHANGE IN TOTAL EQUITY

MSEK	EQUITY RELATED TO OWNERS OF THE PARENT	NON-CONTROLLING INTEREST	TOTAL EQUITY
Opening equity, 1 January 2015	36 538	134	36 672
Total comprehensive income for the period	1 770	-50	1 720
Personnel options program	17	-	17
Hedge of personnel options program	44	-	44
Dividends	-4 390	-3	-4 393
Closing equity, 31 December 2015	33 979	81	34 060
Opening equity, 1 January 2016	33 979	81	34 060
Non-controlling interest new stock issue	-	5	5
Total comprehensive income for the period	4 052	-29	4 023
Personnel options program	37	-	37
Hedge of personnel options program	292	-	292
Dividends	-3 136	-	-3 136
Closing equity, 30 September 2016	35 224	57	35 281
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

For definitions see home.sandvik.com

THE GROUP

CASH FLOW STATEMENT

MSEK	Q3 2015	Q3 2016	Q1-3 2015	Q1-3 2016
<i>Continuing operations</i>				
<i>Cash flow from operating activities</i>				
Income after financial income and expenses	1 871	2 223	5 043	6 506
Adjustment for depreciation, amortization and impairment losses	1 087	1 110	3 475	3 252
Adjustment for items that do not require the use of cash etc.	-171	-177	946	-620
Income tax paid	-406	-219	-1 358	-1 238
Cash flow from operations before changes in working capital, continuing operations	2 381	2 937	8 105	7 900
<i>Changes in working capital</i>				
Change in inventories	712	931	998	1 099
Change in operating receivables	903	1 066	34	691
Change in operating liabilities	103	-207	570	-1 149
Cash flow from changes in working capital, continuing operations	1 719	1 790	1 601	641
Investments in rental equipment	-189	-228	-472	-467
Divestments of rental equipment	42	28	154	105
Cash flow from operations, continuing operations	3 953	4 527	9 389	8 179
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash	-7	-	-7	-23
Proceeds from sale of companies and shares, net of cash	-	47	-	53
Investments in tangible assets	-722	-673	-2 075	-1 808
Proceeds from sale of tangible assets	52	48	111	163
Investments in intangible assets	-264	-198	-687	-724
Proceeds from sale of intangible assets	2	19	3	26
Other investments, net	-16	3	-27	-2
Cash flow from investing activities, continuing operations	-954	-754	-2 683	-2 315
Net cash flow after investing activities	2 999	3 773	6 706	5 864
<i>Cash flow from financing activities</i>				
Change in interest-bearing debt	383	52	-2 119	-893
Dividends paid	-	-	-4 393	-3 136
Cash flow from financing activities, continuing operations	383	52	-6 512	-4 029
Cash flow from continuing operations	3 382	3 825	194	1 835
Cash flow from discontinued operations	-399	-64	-648	-356
Cash flow for the period, Group total	2 983	3 761	-453	1 479
Cash and cash equivalents at beginning of the period	2 936	4 134	6 327	6 376
Exchange-rate differences in cash and cash equivalents	-28	32	17	72
Cash and cash equivalents at the end of the period	5 890	7 927	5 890	7 927
<i>Discontinued operations</i>				
Cash flow from operations	-385	-215	-668	-342
Cash flow from investing activities	-14	167	20	-18
Cash flow from financing activities	0	-16	0	4
<i>Group Total</i>				
Cash flow from operations	3 568	4 312	8 722	7 837
Cash flow from investing activities	-968	-587	-2 663	-2 333
Cash flow from financing activities	383	36	-6 512	-4 025
Group total cash flow	2 983	3 761	-453	1 479

For definitions see [home.sandvik](#)

THE PARENT COMPANY

INCOME STATEMENT

MSEK	Q1-3 2015	Q1-3 2016
Revenues	11 610	10 988
Cost of sales and services	-7 891	-6 857
Gross profit	3 719	4 131
Selling expenses	-391	-573
Administrative expenses	-2 181	-1 647
Research and development costs	-1 038	-998
Other operating income and expenses	-959	-1 113
Operating profit	-850	-200
Income from shares in Group companies	7 748	1 238
Income from shares in associated companies	10	10
Interest income/expenses and similar items	-293	-455
Profit after financial items	6 615	593
Income tax expense	23	-77
Profit for the period	6 638	516

BALANCE SHEET

MSEK	31 DEC 2015	30 SEP 2015	30 SEP 2016
Intangible assets	20	12	235
Property, plant and equipment	7 725	7 635	7 580
Financial assets	47 139	46 999	48 843
Inventories	3 186	3 500	3 012
Current receivables	15 727	15 139	7 408
Cash and cash equivalents	1	1	66
Total assets	73 798	73 286	67 144
Total equity	31 997	30 505	29 705
Untaxed reserves	11	4	11
Provisions	748	557	714
Non-current interest-bearing liabilities	21 002	23 489	20 842
Non-current non-interest-bearing liabilities	59	104	370
Current interest-bearing liabilities	14 112	13 095	9 849
Current non-interest-bearing liabilities	5 869	5 532	5 653
Total equity and liabilities	73 798	73 286	67 144
Contingent liabilities	15 583	15 628	13 618
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	11 132	11 588	12 771
Investments in fixed assets	907	588	586

For definitions see [home.sandvik](http://home.sandvik.com)

MARKET OVERVIEW, THE GROUP

ORDER INTAKE AND REVENUES PER MARKET AREA

MARKET AREA	ORDER INTAKE	CHANGE *		SHARE	REVENUES	CHANGE *	SHARE
	MSEK	%	% ¹⁾	%	MSEK	%	%
THE GROUP							
Europe	7 458	+0	-4	39	7 666	-2	40
North America	4 193	+2	+2	21	4 015	-8	20
South America	1 064	-13	-13	5	1 052	-8	5
Africa/Middle East	1 851	-3	-3	9	1 830	-13	9
Asia	4 083	+6	+6	21	3 989	-7	20
Australia	1 051	-4	+22	5	1 163	+23	6
Total continuing operations	19 700	+0	-0	100	19 715	-5	100
Discontinued operations	219	-54	-54	-	724	-47	-
Group total	19 919	-1	-2	-	20 439	-7	-
SANDVIK MACHINING SOLUTIONS							
Europe	4 129	-3	-3	54	4 235	-3	54
North America	1 668	-6	-6	21	1 675	-7	21
South America	182	-6	-6	2	181	-6	2
Africa/Middle East	72	-39	-39	1	71	-31	1
Asia	1 658	-2	-2	21	1 631	-1	21
Australia	67	+5	+5	1	66	-1	1
Total	7 776	-4	-4	100	7 859	-4	100
SANDVIK MINING AND ROCK TECHNOLOGY							
Europe	1 361	+9	+9	17	1 373	-4	17
North America	1 680	+27	+27	21	1 441	-3	18
South America	769	-16	-16	10	790	-6	10
Africa/Middle East	1 592	-8	-8	20	1 678	-12	22
Asia	1 582	+17	+17	20	1 447	-12	19
Australia	952	-5	+24	12	1 062	+26	14
Total continuing operations	7 936	+5	+8	100	7 791	-5	100
Discontinued operations	219	-54	-54	-	724	-47	-
Sandvik Mining and Rock Technology total	8 155	+2	+4	-	8 515	-11	-
SANDVIK MATERIALS TECHNOLOGY							
Europe	1 527	+6	-17	53	1 620	+7	54
North America	564	-27	-27	20	590	-28	20
South America	58	-4	-4	2	49	-23	2
Africa/Middle East	166	+371	+371	6	54	-21	2
Asia	518	-3	-3	18	615	-11	21
Australia	18	+11	+11	1	17	+5	1
Total	2 851	-0	-12	100	2 945	-7	100
OTHER OPERATIONS							
Europe	440	-17	-17	39	440	-15	40
North America	277	+10	+10	24	302	+16	27
South America	55	+25	+25	5	31	-34	3
Africa/Middle East	21	-37	-37	2	27	-18	2
Asia	325	+20	+20	29	295	-3	26
Australia	14	+14	+14	1	18	+22	2
Total	1 132	-1	-1	100	1 113	-6	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 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016	CHANGE % % ¹⁾	
<i>Continuing operations</i>										
Sandvik Machining Solutions	8 940	8 705	8 099	8 116	33 860	8 304	8 320	7 776	-4	-4
Sandvik Mining and Rock Technology	8 580	8 757	7 676	7 322	32 335	7 266	7 539	7 936	+3	+5
Sandvik Materials Technology	3 725	3 054	2 847	2 999	12 625	3 488	2 753	2 851	0	0
Other operations	1 325	1 246	1 099	1 089	4 760	1 236	1 251	1 132	+3	-1
Group activities	4	4	5	5	17	5	6	5		
Continuing operations	22 574	21 766	19 726	19 531	83 597	20 299	19 869	19 700	0	0
Discontinued operations	592	977	466	745	2 781	1 162	273	219	-53	-54
Group total	23 167	22 743	20 192	20 275	86 378	21 461	20 142	19 919	-1	-1

REVENUES BY BUSINESS AREA

MSEK	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016	CHANGE % % ¹⁾	
<i>Continuing operations</i>										
Sandvik Machining Solutions	8 737	8 661	8 159	8 253	33 809	8 025	8 235	7 859	-4	-4
Sandvik Mining and Rock Technology	8 227	8 561	8 270	8 073	33 131	7 344	7 540	7 791	-6	-5
Sandvik Materials Technology	3 712	3 639	3 161	3 398	13 909	3 231	3 389	2 945	-7	-7
Other operations	1 279	1 335	1 151	1 210	4 976	1 095	1 151	1 113	-3	-6
Group activities	5	4	4	6	20	5	6	7		
Continuing operations	21 960	22 200	20 745	20 940	85 845	19 700	20 321	19 715	-5	-5
Discontinued operations	1 374	1 198	1 347	1 058	4 977	720	715	724	-46	-47
Group total	23 334	23 398	22 092	21 998	90 822	20 420	21 036	20 439	-7	-7

OPERATING PROFIT BY BUSINESS AREA

MSEK	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016	CHANGE %
<i>Continuing operations</i>									
Sandvik Machining Solutions	1 226	1 781	1 481	1 017	5 504	1 652	1 785	1 650	+11
Sandvik Mining and Rock Technology	78	969	907	464	2 417	705	698	817	-10
Sandvik Materials Technology	100	286	49	-427	8	216	297	197	N/M
Other operations	137	172	108	71	489	94	141	113	+5
Group activities	-342	-231	-220	-355	-1 147	-254	-216	-154	+30
Continuing operations	1 199	2 977	2 325	770	7 271	2 413	2 705	2 623	+13
Discontinued operations	-147	-74	-1 004	16	-1 209	-54	-55	-1 012	-1
Group total²⁾	1 052	2 903	1 321	786	6 062	2 359	2 650	1 611	+22

OPERATING MARGIN BY BUSINESS AREA

%	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016
<i>Continuing operations</i>								
Sandvik Machining Solutions	14.0	20.6	18.1	12.3	16.3	20.6	21.7	21.0
Sandvik Mining and Rock Technology	0.9	11.3	11.0	5.7	7.3	9.6	9.3	10.5
Sandvik Materials Technology	2.7	7.9	1.5	-12.6	0.1	6.7	8.8	6.7
Other operations	10.7	12.9	9.4	5.9	9.8	8.6	12.3	10.2
Continuing operations	5.5	13.4	11.2	3.7	8.5	12.2	13.3	13.3
Discontinued operations	-10.7	-6.2	-74.6	1.5	-24.3	-7.5	-7.8	-139.8
Group total	4.5	12.4	6.0	3.6	6.7	11.6	12.6	7.9

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 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016	CHANGE Q3 %
<i>Continuing operations</i>									
Sandvik Machining Solutions	1 906	1 781	1 481	1 647	6 814	1 652	1 785	1 650	+11
Sandvik Mining and Rock Technology	874	969	907	743	3 492	705	698	817	-10
Sandvik Materials Technology	365	286	49	118	818	216	297	197	N/M
Other operations	137	172	108	111	529	94	141	113	+5
Group activities	-305	-231	-220	-304	-1 060	-254	-216	-154	N/M
Continuing operations	2 977	2 977	2 325	2 315	10 593	2 413	2 705	2 623	+13
Discontinued operations	-43	-74	-6	16	-108	-54	-55	-1 012	N/M
Group total ²⁾	2 934	2 903	2 319	2 331	10 485	2 359	2 650	1 611	-31

ADJUSTED OPERATING MARGIN BY BUSINESS AREA

%	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1-4 2015	Q1 2016	Q2 2016	Q3 2016
<i>Continuing operations</i>								
Sandvik Machining Solutions	21.8	20.6	18.1	20.0	20.2	20.6	21.7	21.0
Sandvik Mining and Rock Technology	10.6	11.3	11.0	9.2	10.5	9.6	9.3	10.5
Sandvik Materials Technology	9.8	7.9	1.5	3.5	5.9	6.7	8.8	6.7
Other operations	10.7	12.9	9.4	9.2	10.6	8.6	12.3	10.2
Continuing operations	13.6	13.4	11.2	11.1	12.3	12.2	13.3	13.3
Discontinued operations	-3.1	-6.2	-0.5	1.5	-2.2	-7.5	-7.8	-139.8
Group total	12.6	12.4	10.5	10.6	11.5	11.6	12.6	7.9

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 2015	Q3 2016	Q1-4 2015
<i>Continuing operations</i>			
Tax rate, %	33.1	27.5	35.1
Return on capital employed, %	11.9	11.4	9.5
Return on total equity, %	14.6	13.0	9.7
Return on total capital, %	9.0	8.7	7.2
Shareholders' equity per share, SEK	27.9	28.1	27.1
Net debt/equity ratio	1.03	0.95	1.00
Equity/assets ratio, %	34	35	34
Net working capital, %	30	29	27
Earnings per share, SEK	1.01	1.29	2.79
Cash flow from operations, MSEK	+3 953	+4 527	+12 793
Number of employees	45 361	43 014	44 663

	Q3 2015	Q3 2016	Q1-4 2015
<i>Group total</i>			
Tax rate, %	72.4	50.1	45.9
Return on capital employed, %	10.2	10.0	7.9
Return on total equity, %	10.9	9.8	6.2
Return on total capital, %	7.6	7.4	5.9
Shareholders' equity per share, SEK	27.9	28.1	27.1
Net debt/equity ratio	1.03	0.95	1.00
Equity/assets ratio, %	33	35	34
Net working capital, %	28	27	26
Earnings per share, SEK	0.20	0.49	1.79
Cash flow from operations, MSEK	+3 568	+4 312	+11 952
Number of employees	46 541	43 958	45 808
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.

For definitions see home.sandvik

Sandvik presents certain financial measures that are not defined in the interim report in accordance with IFRS. Sandvik believes that these measures provide useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As

not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. For definitions of key figures that Sandvik uses see website home.sandvik.

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 2017 Annual General Meeting will be held in Sandviken, Sweden, on

27 April 2017. The notice to convene the AGM will be made in the prescribed manner.

Stockholm, 24 October 2016
Sandvik Aktiebolag (publ)

Björn Rosengren
President and CEO

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the interim report of Sandvik AB as of 30 September, 2016 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, 24 October 2016
KPMG AB

George Pettersson
Authorized public accountant

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 13.30 CET on 24 October 2016.

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

A presentation and teleconference will be held on 24 October 2016 at 15:00 CET at the World Trade Center in Stockholm.

Sandvik AB, Corp. Reg. No.: 556000-3468
Box 510
SE-101 30 Stockholm
+46 8 456 11 00

Information is available at www.sandvik.com/ir

CALENDAR 2017:

1 February	Report, fourth quarter 2016
24 April	Report, first quarter 2017
27 April	Annual General Meeting, Sandviken Sweden
17 July	Report, second quarter 2017
24 October	Report, third quarter 2017