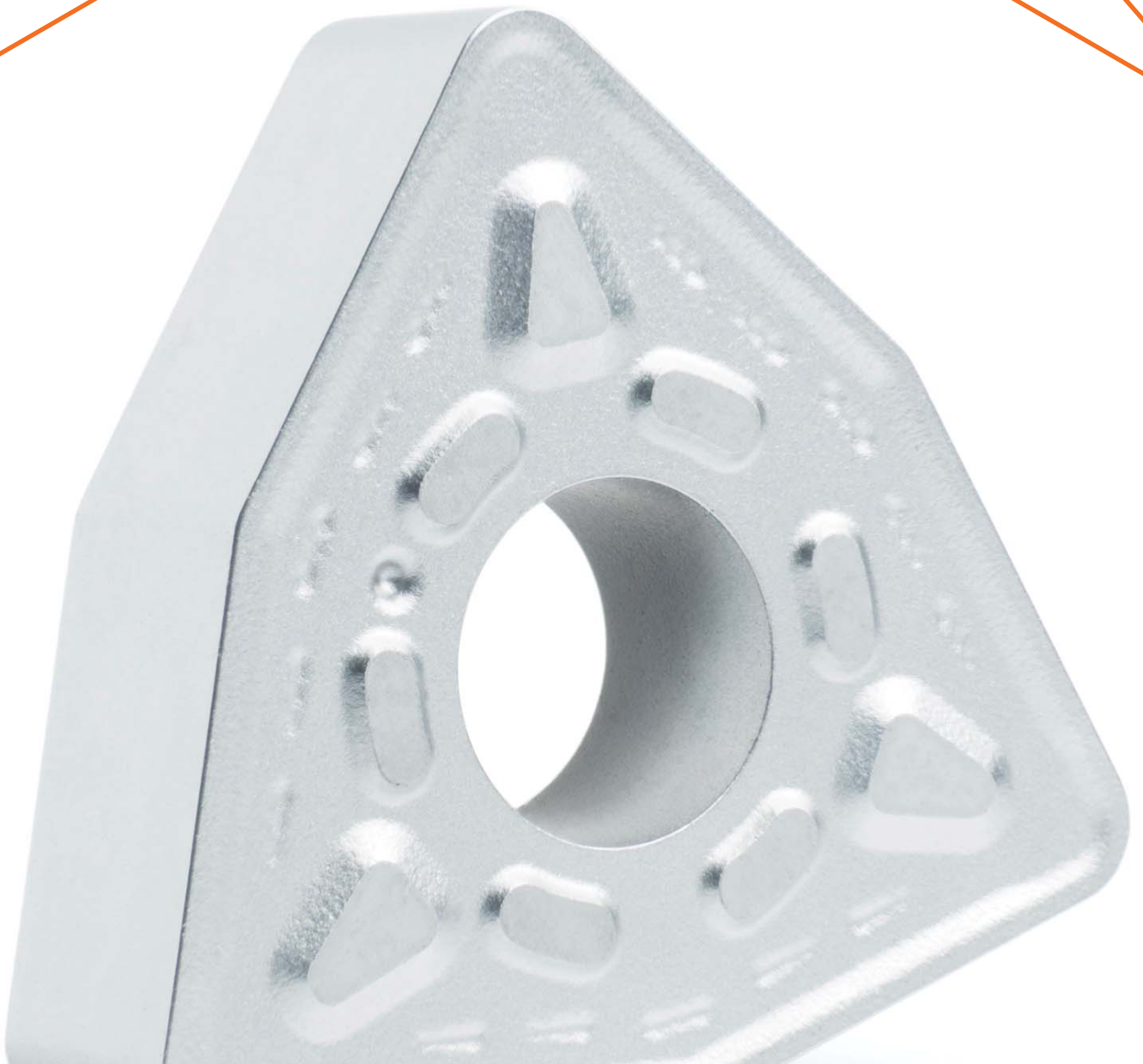


# INTERIM REPORT SECOND QUARTER

AND FIRST SIX MONTHS OF 2015



## CONTINUED STRONG CASH FLOW

**CEO'S COMMENT:** "In the second quarter, adjusted operating profit improved by 10% and the adjusted operating margin improved to 12.4%, despite negative organic growth of 5%, compared with the year-earlier period. This was mainly driven by the positive impact from changed exchange rates, but also savings from our on-going efficiency measures," says Sandvik's President and CEO Olof Faxander.

"Quarterly cash flow remained strong at 2.7 billion SEK, strongest for a second quarter in five years, supported by the continuous focus on net working capital management. The net working capital to sales ratio was 28% in the quarter, in line with the previous quarter, which was in contrast to the normal slight seasonal build-up. The net debt to equity ratio was 0.85, up from 0.72 in the previous quarter, largely due to the dividend pay-out."

"In a slow market environment, we support our near to mid-term growth potential through continuous product launches, such as the Duratomic insert family launched within Seco Tools in Sandvik Machining Solutions. Moreover, in China, we launched three new drill rigs, based on a modular design, targeting small to mid-size underground hard rock mining applications."

"We made further progress with the ongoing Supply Chain Optimization program and initiated closure of one

additional unit. Additional support for our future earnings expansion comprise a further focus on costs, ensuring an efficient structure within all of our business areas. During the second quarter, we achieved structural savings of 162 million SEK. The reported net increase of 32 employees, compared with the previous quarter, included a decrease of 58 sub-contractors and a re-classification of 227 sub-contractors to Sandvik employees in Sandvik Construction."

"Overall business activity in Europe remained largely stable, bar a decline within Sandvik Mining and Sandvik Construction. This was in contrast to North America, where these business areas were the relatively stronger and noted growth. Demand in Asia declined for all business areas except Sandvik Venture."

"Sandvik Mining noted a neutral book-to-bill for mining equipment and the aftermarket combined for the second consecutive quarter, while demand for mining systems remained weak. Demand among oil & gas customers remained muted, adversely impacting not only Sandvik Materials Technology and Sandvik Venture, but also Sandvik Machining Solutions as it indirectly impacted business activity in the general engineering segment, primarily in North America. Sandvik Construction reported a positive book-to-bill, supported by timing as the underlying market remained largely stable."

FINANCIAL OVERVIEW, MSEK	Q2 2015	Q2 2014	CHANGE %	Q1-2 2015	Q1-2 2014	CHANGE %
Order intake <sup>1)</sup>	22 743	21 194	-4	45 910	43 690	-8
Invoiced sales <sup>1)</sup>	23 398	22 051	-5	46 732	42 835	-4
Gross profit	8 702	8 093	+8	16 035	15 712	+2
% of invoiced sales	37.2	36.7		34.3	36.7	
Operating profit	2 903	2 556	+14	3 955	5 035	-21
% of invoiced sales	12.4	11.6		8.5	11.8	
Adjusted operating profit <sup>2)</sup>	2 903	2 631	+10	5 837	5 110	+14
% of invoiced sales <sup>2)</sup>	12.4	11.9		12.5	11.9	
Profit after financial items	2 367	2 099	+13	2 931	4 142	-29
% of invoiced sales	10.1	9.5		6.3	9.7	
Profit for the period	1 719	1 537	+12	2 129	3 030	-30
% of invoiced sales	7.3	7.0		4.6	7.1	
of which shareholders' interest	1 726	1 531	+13	2 141	3 026	-29
Earnings per share, SEK <sup>3)</sup>	1.38	1.22	+13	1.71	2.41	-29
Return on capital employed, % <sup>4)</sup>	11.6	12.3		11.6	12.3	
Cash flow from operations	+2 723	+1 355	+101	+5 154	+2 114	+144
Net working capital, %	28	30		28	30	

1) Change from the preceding year at fixed exchange rates for comparable units  
2) Operating profit adjusted for nonrecurring charges by 1.9 billion SEK for the first quarter 2015 and by 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

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	-4	-5
Structure, %	+1	+1
Currency, %	+11	+11
<b>TOTAL, %</b>	<b>+7</b>	<b>+6</b>

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

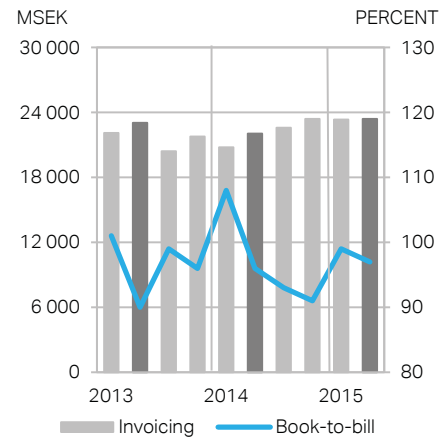
**In the second quarter, order intake declined by 4%, with negative organic growth noted in the three major regions; Europe, North America and Asia.** European order intake declined by -5%, negatively impacted by Sandvik Mining and Sandvik Construction, while the other business areas noted stable to slightly positive development. In North America, total order intake declined by 13%, with only Sandvik Construction reporting positive growth, however Sandvik Mining also noted positive growth when excluding a large order received in the second quarter of 2014. Asia declined by 14% in total, with weakness across all business areas except for Sandvik Venture. Positive growth in order intake was noted in both Australia as well as Africa & Middle East.

Growth in the aerospace segment remained robust. Automotive remained relatively strong, although growth rates have slowed. Oil & gas was the relatively weaker segment, also indirectly impacting the general engineering segment, primarily in North America. In Sandvik Venture, the slow activity in the oil & gas industry impacted Varel, which noted a persistingly harsh environment in North America, while other regions were stable at a low level. One large order was received by Mining Systems, at a value exceeding 600 million SEK, however the underlying market remained challenging. Mining Equipment and Aftermarket combined reported a neutral book-to-bill for the second consecutive quarter. Underlying demand in Sandvik Construction remained largely unchanged.

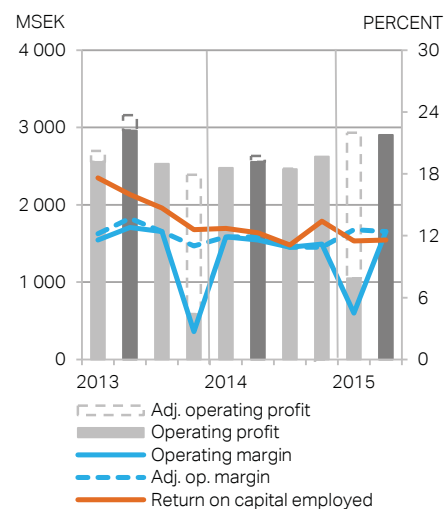
On a year-on-year basis, acquisitions and divestments had a positive effect of 1% on order intake and invoiced sales, driven primarily by the acquisition of Varel International Energy Services Inc. (Varel). Changes in exchange rates were significant, contributing 11% to order intake and invoiced sales.

**The adjusted earnings growth of 10% and the margin expansion to 12.4% (11.6) were supported by a positive impact from changed exchange rates, as well as savings.** Savings from the Supply Chain Optimization program and the program for other cost adjustments reached 162 million SEK in the period, yielding an annual run-rate of 662 million SEK. Changed exchange rates contributed by approximately 775 million SEK to earnings as the SEK depreciated against several major trading currencies compared with the year-earlier period. Changed metal prices adversely impacted results by 80 million SEK. Administrative, selling and R&D expenses increased year-on-year due to changed exchange rates and the acquisition of Varel, however decreased for comparable units. The tax rate for the second quarter was 27.4% (26.8).

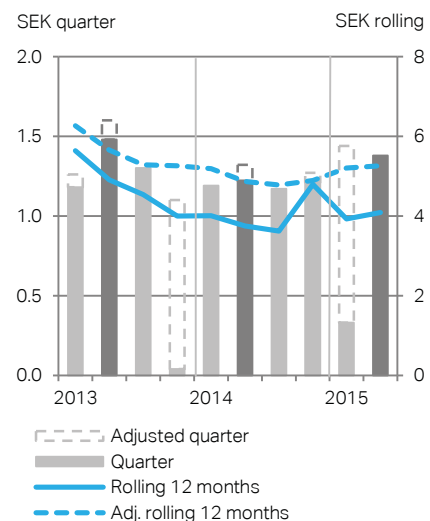
## INVOICED SALES AND BOOK-TO-BILL



## OPERATING PROFIT AND RETURN



## EARNINGS PER SHARE



# CASH FLOW AND BALANCE SHEET

**Total assets** decreased compared with the preceding quarter mainly explained by the dividend payment in the second quarter. Lower inventories and receivables as well as investments below depreciation also contributed to this development.

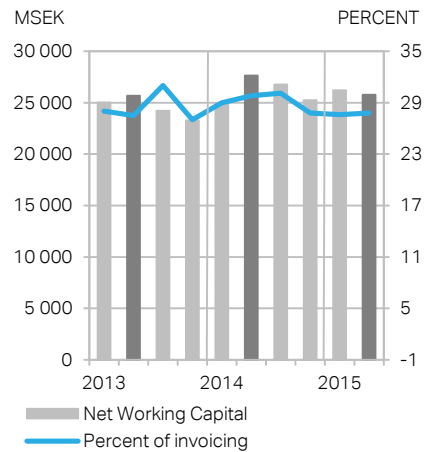
**Net working capital** decreased by about 400 million SEK compared with the preceding quarter due to changed exchange rates while volume development was largely flat. The persistent focus on net working capital management resulted in largely stable net working capital in relation to sales at 27.8% from the previous quarter (27.6), in contrast to the normal seasonal pattern of slight sequential build-up. The biggest improvement was noted in inventories and accounts receivables.

**Capital expenditure** in the second quarter amounted to 1 billion SEK (1.1) and 1.8 billion SEK in the first six months of 2015. Investments are expected to increase during the second half of 2015 in line with the historical pattern. The updated guidance for capex spend during 2015 is set at about 4.5 billion SEK, to be compared with the previous guidance of below 5 billion SEK.

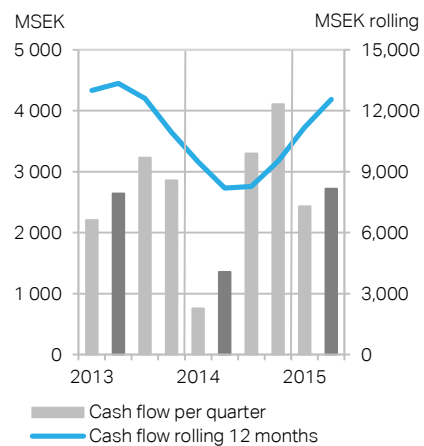
**Net debt** increased to 32.9 billion SEK compared with 30.4 billion SEK in the preceding quarter. The increase was mainly attributable to the dividend payment of 4.4 billion SEK, which was partly offset by cash flow generation in the quarter. Consequently, the net debt/equity ratio increased to 0.85 compared with 0.72 in the preceding quarter. Interest-bearing debt with short-term maturity was at 11% of total debt.

**Cash flow** from operations amounted to 2,723 million SEK (1,355), a strong second-quarter cash flow, supported by quarterly earnings.

## NET WORKING CAPITAL

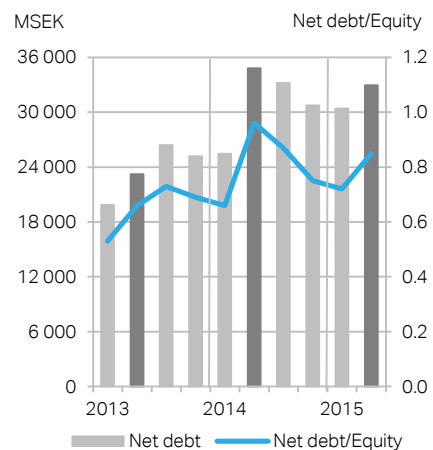


## CASH FLOW FROM OPERATIONS



*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

SOFT GENERAL DEMAND

SIGNS OF RECOVERY IN WESTERN EUROPE

STRONG CASH FLOW



### GROWTH

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	-4	-3
Structure, %	+0	+0
Currency, %	+12	+12
<b>TOTAL, %</b>	<b>+8</b>	<b>+9</b>

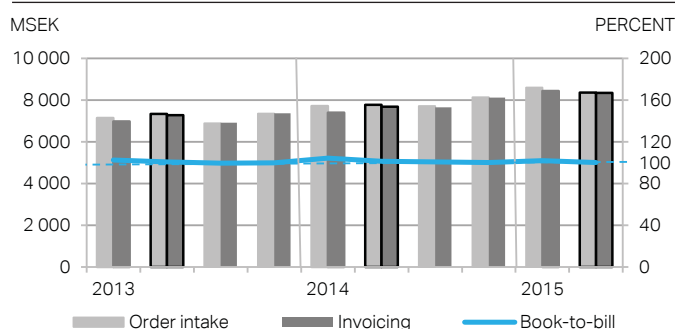
Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

**Overall demand softened, compared with both the year-earlier period, as well as the preceding quarter.** Europe remained overall stable. Signs of improving business activity were noted in the western parts of Europe compared with both the previous quarter and the year-earlier period. Demand in North America declined, with continued soft demand among oil & gas customers having an indirect adverse impact on the general engineering segment. Asia declined, with the exception being Japan, where stable demand was noted. Business activity was strongest in relative terms in the aerospace segment. While automotive was on a high level, growth rates slowed. The number of working days was in line with the year-earlier period.

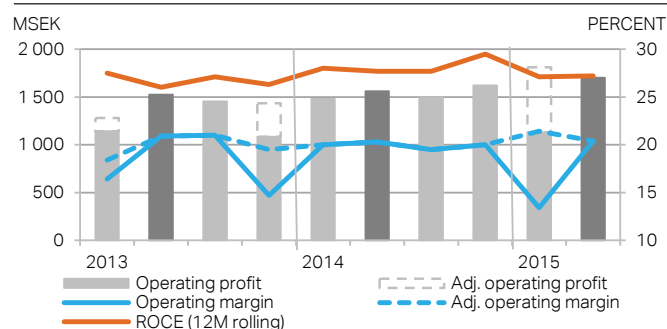
**Earnings grew by 9% year-on-year and the operating margin remained stable at 20.4% (20.3) despite the negative organic growth in the period.** Earnings growth was supported by changed exchange rates and efficiency measures related to the Supply Chain Optimization program. The impact from changed exchange rates supported earnings by about 285 million SEK compared with the year-earlier period. Savings from the Supply Chain Optimization program and the program for other cost adjustments contributed to earnings by 47 million SEK, compared with the year-earlier period, for an annual run-rate of 204 million SEK. No additional units were closed in the quarter. Compared with the year-earlier period, cost for sales, administration and R&D increased slightly, however costs were lower than for the previous quarter.

As a consequence of the weaker market trend, the focus going forward will be on cost efficiency. An aggressive stance in the market will be maintained, with the record high number of product launches during 2015.

### ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



### OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q2 2015	Q2 2014	CHANGE %	Q1 2015	CHANGE % <sup>1)</sup>	Q1-2 2015	CHANGE %
Order intake	8 355	7 768	-4 *	8 596	-3 *	16 951	-3 *
Invoiced sales	8 339	7 676	-3 *	8 438	-1 *	16 777	-1 *
Operating profit	1 701	1 561	+9	1 129	+51	2 830	-7
% of invoiced sales	20.4	20.3		13.4		16.9	
Adjusted operating profit**	1 701	1 561	+9	1 809	-6	3 510	+15
% of invoiced sales**	20.4	20.3		21.4		20.9	
Return on capital employed, %***	27.2	27.7		27.1		27.2	
Number of employees	18 674	18 949	-1	18 838	-1	18 674	-1

\* At fixed exchange rates for comparable units. \*\* Operating profit adjusted for nonrecurring charges of 680 million SEK in Q1 2015. \*\*\* Rolling 12 months  
<sup>1)</sup> Change compared with previous quarter



## SANDVIK MINING

ONE LARGE ORDER RECEIVED

EARNINGS AND MARGIN EXPANSION

NEUTRAL BOOK-TO-BILL FOR EQUIPMENT AND AFTERMARKET COMBINED



### GROWTH

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	-1	-2
Structure, %	+0	+0
Currency, %	+11	+11
<b>TOTAL, %</b>	<b>+10</b>	<b>+8</b>

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

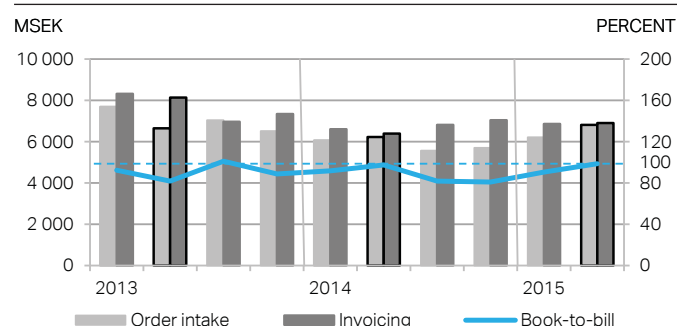
Sandvik Mining reported a neutral book-to-bill for the second quarter, adversely impacted by Mining Systems, where the general business activity remained weak. Mining equipment orders were most favourable in loading and hauling and underground drill rigs. The underlying market for equipment remained largely stable.

During the second quarter, one large order was received by Mining Systems in South Africa. The order value exceeded 600 million SEK and it will contribute to Sandvik Mining's invoicing from the second half of 2015 until 2017.

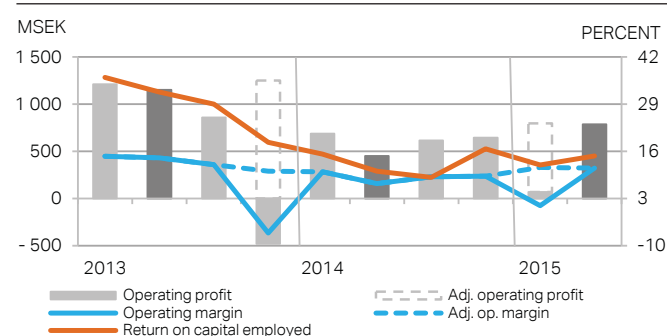
Earnings grew by 74% and the EBIT margin was 11.4% (7.1) supported by changed exchange rates, as well as mix and efficiency measures. Changed exchange rates made a positive contribution of about 250 million SEK to the operating profit compared with the year-earlier period. In the second quarter, structural savings of 53 million SEK from the Supply Chain Optimization program were achieved, implying an annual run-rate of 212 million SEK. No additional units were closed in the period, but closure of one unit was initiated. Provisions for stock obsolescence and bad debt losses were negligible, providing support for earnings growth year-on-year.

The focus on strategic reduction of the net working capital was maintained, with a reduction of about 400 million SEK, which brought the net working capital to sales ratio down to 30.7%, the lowest in five quarters.

### ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



### OPERATING PROFIT AND RETURN



### FINANCIAL OVERVIEW, MSEK

	Q2 2015	Q2 2014	CHANGE %	Q1 2015	CHANGE % <sup>1)</sup>	Q1-2 2015	CHANGE %
Order intake	6 817	6 217	-1 *	6 203	+10 *	13 020	-6 *
Invoiced sales	6 908	6 385	-2 *	6 863	+0 *	13 771	-6 *
Operating profit	786	452	+74	68	N/M	854	-25
% of invoiced sales	11.4	7.1		1.0		6.2	
Adjusted operating profit**	786	452	+74	798	-2	1 584	+39
% of invoiced sales**	11.4	7.1		11.6		11.5	
Return on capital employed, %***	14.7	10.5		12.2		14.7	
Number of employees	11 615	12 178	-5	11 635	-0	11 615	-5

\* At fixed exchange rates for comparable units, \*\* Operating profit adjusted for nonrecurring charges of 730 million in Q1 2015, \*\*\* Rolling 12 months  
<sup>1)</sup> Change compared with previous quarter

## SANDVIK MATERIALS TECHNOLOGY

CONTINUED CHALLENGING DEMAND IN OIL & GAS

ONGOING ADJUSTMENT OF COST BASE

FURTHER REDUCTION OF NET WORKING CAPITAL



### GROWTH

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	-12	-8
Structure, %	-7	-6
Currency, %	+9	+9
<b>TOTAL, %</b>	<b>-11</b>	<b>-6</b>

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

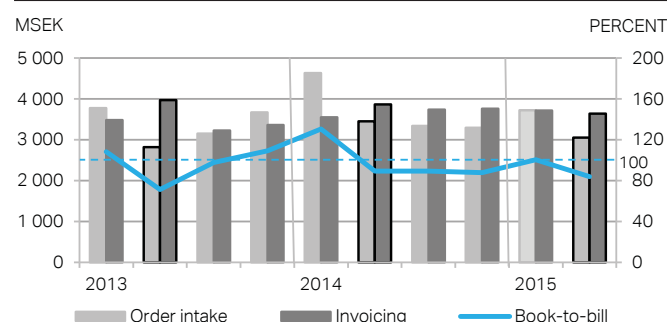
The challenging demand and uncertainty in the oil & gas industry remained, also resulting in increased competition in the more standardized tubular offering as free capacity was used for other segments. In other areas, the demand for most industry segments remained largely in line with the level noted in the previous quarter. Demand from the automotive segment improved somewhat both compared to the previous year and sequentially. No major order was received during the quarter, negatively affecting order intake compared with last year. Underlying demand remained weak but stable in Europe. North America was largely stable, barring for weak demand in the oil & gas segment. Market activity in Asia was mixed.

Earnings continued to be negatively affected by low production utilization, as a consequence of the downturn in the oil & gas segment. Metal price changes had an adverse effect of 80 million SEK on the result. Excluding metal-price effects, earnings amounted to 366 million SEK (470), or 10.1% (12.2) of invoiced sales, supported by mitigating activities partly compensating for the drop in the oil & gas segment. Changed exchange rates had a positive impact on earnings of about 90 million SEK compared with the year-earlier period. Due to persistent focus on its reduction, the net working capital to sales ratio declined sequentially to 28.6%, from 29.7%.

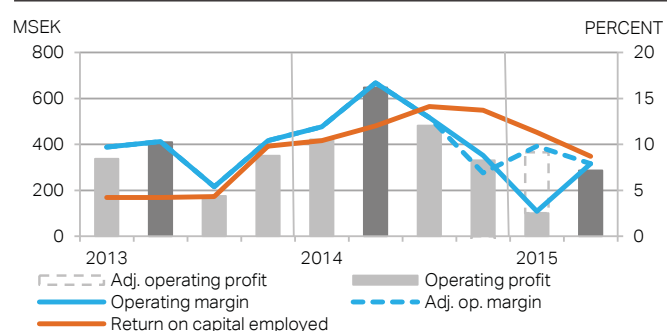
Measures are continuously implemented to adjust capacity for oil & gas products, including reducing shift forms and flexibility solutions, focus on cost containment and increased sales in areas not affected by the oil & gas industry. The efficiency-enhancement measures, communicated in the first quarter, to

adjust and optimize production flows for the more standardized product program progressed according to plan. These measures target annualized savings of 165 million SEK by the end of 2016 and savings of 6 million SEK were achieved in the quarter, and an annual run-rate of 24 million SEK.

### ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



### OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q2 2015	Q2 2014	CHANGE %	Q1 2015	CHANGE % <sup>1)</sup>	Q1-2 2015	CHANGE %
Order intake	3 054	3 449	-12 *	3 725	-18 *	6 779	-18 *
Invoiced sales	3 639	3 866	-8 *	3 712	-2 *	7 351	-4 *
Operating profit	286	647	-56	100	+186	386	-64
% of invoiced sales	7.9	16.7		2.7		5.3	
Adjusted operating profit**	286	647	-56	365	-22	651	-39
% of invoiced sales**	7.9	16.7		9.8		8.9	
Return on capital employed, %***	8.7	12.0		11.3		8.7	
Number of employees	6 766	7 293	-4 *	6 789	-0	6 766	-4 *

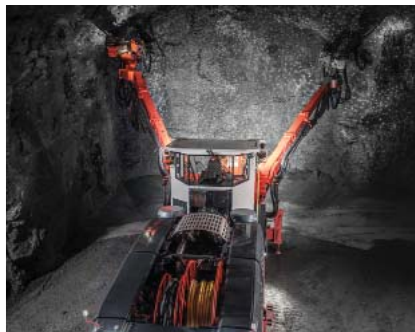
\* At fixed exchange rates for comparable units, \*\* Operating profit adjusted for nonrecurring charges of 265 million SEK in Q1 2015, \*\*\* Rolling 12 months  
<sup>1)</sup> Change compared with previous quarter

## SANDVIK CONSTRUCTION

STABLE MARKET  
CONDITIONS

EARNINGS IMPROVEMENT

ONE LARGE ORDER  
RECEIVED



### GROWTH

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	+4	-11
Structure, %	+0	+0
Currency, %	+12	+13
<b>TOTAL, %</b>	<b>+17</b>	<b>+0</b>

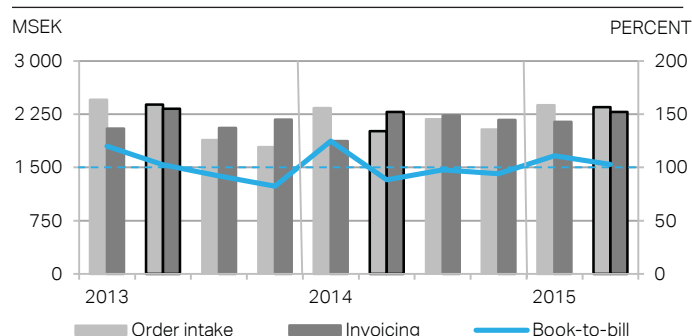
Change compared to same quarter last year.  
The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

The underlying market remained largely stable compared with the year-earlier period. Sandvik Construction's order intake grew by 4% compared with the year-earlier-period, the total of a decline in Europe and Asia while North America noted positive growth. Demand remained overall stable at a low level compared with the preceeding quarter. Demand for mobile crushing continued to increase in North America, year-over-year. The underlying market activity remained relatively higher for surface drilling and tunneling. Demand for rock tools, consumables and services was largely unchanged as customer production rates remained intact. One large order was received at the value of about 180 million SEK.

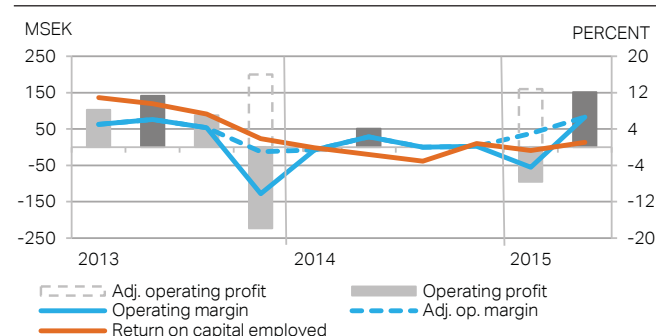
Earnings continued to recover and the operating margin reached 6.6%, supported by the positive impact from changed exchange rates, as well as by the successful implementation of the Supply Chain Optimization program and less under-absorption of costs as the pace of inventory reduction slowed. Changed exchange rates had a positive impact on operating profit of about 100 million SEK compared with the year-earlier period. By highly focused net working capital management the net working capital to sales ratio was reduced to 23.4%, the lowest level since 2007. In total, structural savings of 48 million SEK were achieved in the quarter from the Supply Chain Optimization program and the ongoing cost adjustments that focuses on efficiency measures in the sales organization, for an annual run-rate of 192 million SEK.

The reported net increase of employees compared with the previous quarter, includes a decrease of 58 sub-contractors and a re-classification of 227 sub-contractors to Sandvik employees in Sandvik Construction.

### ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



### OPERATING PROFIT AND RETURN



### FINANCIAL OVERVIEW, MSEK

	Q2 2015	Q2 2014	CHANGE %	Q1 2015	CHANGE % <sup>1)</sup>	Q1-2 2015	CHANGE %
Order intake	2 348	2 013	+4 *	2 376	-1 *	4 724	-5 *
Invoiced sales	2 283	2 281	-11 *	2 144	+6 *	4 426	-7 *
Operating profit	151	51	+194	-95	-260	57	+41
% of invoiced sales	6.6	2.3		-4.4		1.3	
Adjusted operating profit**	151	51	+194	65	+131	217	+438
% of invoiced sales**	6.6	2.3		3.0		4.9	
Return on capital employed, %***	1.1	-1.6		-0.7		1.1	
Number of employees	2 967	3 159	-6	2 740	+8	2 967	-6

\* At fixed exchange rates for comparable units, \*\* Operating profit adjusted for nonrecurring charges of 160 million SEK in Q1 2015, \*\*\* Rolling 12 months  
<sup>1)</sup> Change compared with previous quarter



## SANDVIK VENTURE

MIXED DEMAND PATTERN

SAVINGS SUPPORT EARNINGS

CHALLENGING MARKET IN OIL & GAS CONSUMABLES



### GROWTH

Q2	ORDER INTAKE	INVOICED SALES
Price/volume, %	-7	-9
Structure, %	+23	+22
Currency, %	+9	+9
<b>TOTAL, %</b>	<b>+24</b>	<b>+21</b>

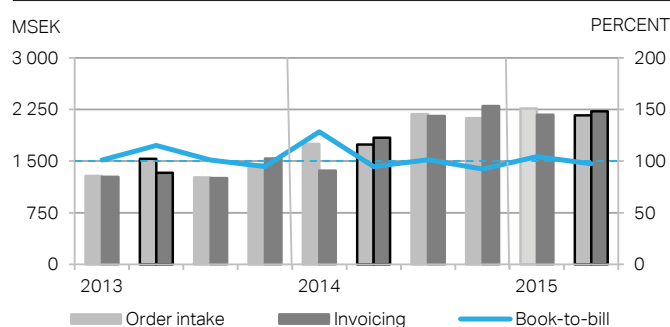
Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

Demand remained largely stable for Hyperion and Process Systems while it declined for Varel. Wolfram noted rather unchanged demand for tonnage while declining tungsten pricing adversely impacted the order value, compared with the year-earlier-period. Demand for Varel varied between different regions, with a challenging environment persisting in North America while other regions were stable at a low level. Hyperion developed positively both in terms of sales and order intake compared with the preceding year. Process Systems noted a decline in invoicing, due to the general weakness in the project business, where the weaker order intake of recent quarters has filtered through.

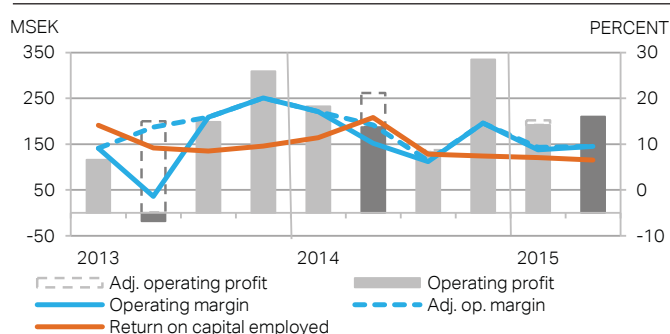
Sandvik Venture's order intake increased slightly in Europe and Asia, however it declined in other regions, compared with the same period last year. Compared with the previous quarter, demand trend was slightly negative for all product areas in Sandvik Venture, except Wolfram.

Earnings in the quarter were adversely impacted by weak oil & gas demand, negative development of the tungsten price as well as an unfavorable product mix, primarily for Process Systems. Changes in exchange rates had a negative effect of about 40 million SEK on earnings compared with the year-earlier period. Actions to mitigate lower demand within the oil & gas industry have been implemented, generating 8 million SEK in savings in the quarter and an annual run-rate of 30 million SEK.

### ORDER INTAKE, INVOICED SALES AND BOOK-TO-BILL



### OPERATING PROFIT AND RETURN



FINANCIAL OVERVIEW, MSEK	Q2 2015	Q2 2014	CHANGE %	Q1 2015	CHANGE % <sup>1)</sup>	Q1-2 2015	CHANGE %
Order intake	2 165	1 741	-7 *	2 263	-4 *	4 427	-12 *
Invoiced sales	2 226	1 841	-9 *	2 172	+3 *	4 397	-5 *
Operating profit	210	187	+13	192	+10	402	-4
% of invoiced sales	9.5	10.2		8.8		9.1	
Adjusted operating profit**	210	262	-20	202	+4	412	-17
% of invoiced sales**	9.5	14.2		9.3		9.4	
Return on capital employed, %***	6.5	15.8		7.1		6.5	
Number of employees	4 050	4 141	-2	4 060	-0	4 050	-2

\* 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, \*\*\* Rolling 12 months  
<sup>1)</sup> Change compared with previous quarter

## PARENT COMPANY

The parent company's invoiced sales after the second quarter of 2015 amounted to 8,346 million SEK (8,618) and the operating result was -788 million SEK (-544). Income from shares in Group companies consists primarily of dividends and Group contributions from these and amounted after the second

quarter to 775 million SEK (1,260). Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to 11,501 million SEK (21,925). Investments in property, plant and machinery amounted to 370 million SEK (574).

## ACQUISITIONS AND DIVESTMENTS

### ACQUISITIONS DURING THE MOST RECENT 12-MONTH PERIOD

	COMPANY/UNIT	CLOSING DATE	ANNUAL REVENUE, MSEK	NO OF EMPLOYEES
SANDVIK VENTURE	Varel Intl Energy Services Inc.	21 May 2014	2,300	1,300

### 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 SIX MONTHS OF 2015

Demand for Sandvik's products during the first six months of 2015 and order intake declined organically by 8% compared with the year-earlier-period, primarily adversely impacted by lower business activity in the oil & gas segment, which to some extent also indirectly impact the general engineering segment, primarily in North America. However positive impact from changed exchange rates resulted in an overall positive growth in order intake by 5%. Total invoicing grew by 9%, supported by changed exchange rates, while organic growth declined by 4%, excluding structural changes and impact from changed exchange rates. Sandvik's order intake amounted to 45,910 million SEK (43,690), and invoiced sales was 46,732 million SEK (42,835).

Adjusted operating profit was 5,837 million SEK (5,110), excluding the non-recurring charges of 1.9 billion SEK in the first quarter related to the launch of the second phase of the ongoing Supply Chain Optimization program and other cost base adjustments. Changed exchange rates had a positive impact on the result by about 1.5 billion SEK while changed metal prices had a negative impact by -85 million SEK. Net financial items amounted to -1,024 million SEK (-893) and the profit after financial items was 2,931 million SEK (4,142). The tax rate was 27.3% (26.8%) and profit for the period amounted to 2,129 million SEK (3,030). Earnings per share amounted to 1.71 SEK (2.41). Cash flow from operations reached 5,154 million SEK (2,114).

## GUIDANCE

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:

<b>CAPEX</b>	Estimated at about 4.5 billion SEK for 2015
<b>CURRENCY EFFECTS</b>	Based on currency rates at end-June, it is estimated that operating profit for the third quarter of 2015 will be affected by about +500 million SEK compared with the year-earlier period
<b>METAL PRICE EFFECTS</b>	In view of currency rates, stock levels and metal prices at the end of June, it is estimated that operating profit for the third quarter of 2015 will be affected by about -100 million SEK
<b>NET FINANCIAL ITEMS</b>	Estimated at between -1.8 and -2.0 billion SEK in 2015
<b>TAX RATE</b>	Estimated at about 26-28% for 2015

## SIGNIFICANT EVENTS

– On 5 March Sandvik launched phase II of the Supply Chain Optimization program in addition to further adjustment to the cost base aimed at improving efficiency. As initially communicated in 2013, Sandvik's supply chain is to be optimized, reducing the number of production units from 150 to about 125 over three to four years. The first phase, initiated in the fourth quarter of 2013, has progressed according to plan and involves 11 unit closures (of which five closures had been implemented at year-end 2014). Sandvik launched the second phase in the first quarter, comprising a total of ten unit closures, predominantly in Europe. In addition, Sandvik implemented further measures

to adjust the cost base for increased efficiency and to current demand, as well as making a project write-down related to Mining Systems.

The total group savings are estimated to approximately 1.1 billion SEK in annual run-rate at the end of 2016. Nonrecurring charges associated with the initiatives, totaling about 1.9 billion SEK, impacted the first quarter of 2015.

For additional details see press release dated 5 March on [www.sandvik.com](http://www.sandvik.com)

## 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.

## 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 130 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	Q2 2015	Q2 2014	CHANGE %	Q1-2 2015	Q1-2 2014	CHANGE %
Revenue	23 398	22 051	+6	46 732	42 835	+9
Cost of sales and services	-14 696	-13 958	+5	-30 697	-27 123	+13
<b>Gross profit</b>	<b>8 702</b>	<b>8 093</b>	<b>+8</b>	<b>16 035</b>	15 712	<b>+2</b>
% of revenues	37.2	36.7		34.3	36.7	
Selling expenses	-3 175	-2 981	+7	-6 729	-5 656	+19
Administrative expenses	-1 862	-1 753	+6	-3 876	-3 421	+14
Research and development costs	-722	-646	+12	-1 482	-1 305	+14
Other operating income and expenses	-40	-157	-75	7	-295	N/M
<b>Operating profit</b>	<b>2 903</b>	<b>2 556</b>	<b>+14</b>	<b>3 955</b>	<b>5 035</b>	<b>-21</b>
% of revenues	12.4	11.6		8.5	11.8	
Net financial items	-536	-457	+17	-1 024	-893	+15
<b>Profit after financial items</b>	<b>2 367</b>	<b>2 099</b>	<b>+13</b>	<b>2 931</b>	<b>4 142</b>	<b>-29</b>
% of revenues	10.1	9.5		6.3	9.7	
Income tax	-648	-562	+15	-802	-1 112	-28
<b>Profit for the period</b>	<b>1 719</b>	<b>1 537</b>	<b>+12</b>	<b>2 129</b>	<b>3 030</b>	<b>-30</b>
% of revenues	7.3	7.0		4.6	7.1	
<i>Items that will not be reclassified to profit or loss</i>						
Actuarial gains/(losses) on defined benefit pension plans	209	-295		-465	-547	
Tax relating to items that will not be reclassified	-95	67		64	151	
	114	-228		-401	-396	
<i>Items that will be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences	-957	1 174		-248	1 065	
Cash flow hedges	154	-104		29	-197	
Tax relating to items that may be reclassified	-31	26		-4	50	
	<b>-834</b>	<b>1 096</b>		<b>-223</b>	<b>918</b>	
<b>Total other comprehensive income</b>	<b>-720</b>	<b>868</b>		<b>-624</b>	<b>522</b>	
<b>Total comprehensive income</b>	<b>999</b>	<b>2 405</b>		<b>1 505</b>	<b>3 553</b>	
-----						
Profit for the period attributable to						
Owners of the Parent	1 726	1 531		2 141	3 026	
Non-controlling interests	-7	6		-12	5	
-----						
Total comprehensive income attributable to						
Owners of the Parent	1 005	2 399		1 516	3 548	
Non-controlling interests	-6	6		-11	5	
Earnings per share, SEK *	1.38	1.22		1.71	2.41	

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

## THE GROUP

### BALANCE SHEET

MSEK	30 JUN 2015	31 DEC 2014	CHANGE %	30 JUN 2014
Intangible assets	18 777	18 323	+2	17 045
Property, plant and equipment	27 294	27 609	-1	26 007
Financial assets	8 544	8 279	+3	8 387
Inventories	24 235	24 056	+1	25 761
Current receivables	22 976	21 725	+6	22 282
Cash and cash equivalents	2 936	6 327	-54	2 490
<b>Total assets</b>	<b>104 762</b>	<b>106 319</b>	<b>-1</b>	<b>101 972</b>
Total equity	33 869	36 672	-8	32 949
Non-current interest-bearing liabilities	39 501	41 426	-5	37 735
Non-current non-interest-bearing liabilities	4 206	3 584	+17	4 028
Current interest-bearing liabilities	3 930	2 679	+47	5 411
Current non-interest-bearing liabilities	23 256	21 958	+6	21 849
<b>Total equity and liabilities</b>	<b>104 762</b>	<b>106 319</b>	<b>-1</b>	<b>101 972</b>
Net working capital *	25 801	25 250	+2	27 633
Loans	35 613	36 907	-4	37 159
Net debt **	32 946	30 742	+7	34 810
Net debt to equity ratio***	0.85	0.75		0.96
Non-controlling interests in total equity	120	134	-9	138

\* 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	1 516	-11	1 505
Personnel options program	85	-	85
Dividends	-4 390	-3	-4 393
Closing equity, 30 June 2015	33 749	120	33 869
Opening equity, 1 January 2014	33 510	100	33 610
Total comprehensive income for the period	3 548	5	3 553
Non-controlling interest in acquired companies	-	33	33
Personnel options program	90	-	90
Hedge of personnel options program	53	-	53
Dividends	-4 390	-	-4 390
Closing equity, 30 June 2014	32 811	138	32 949



## THE GROUP

### CASH FLOW STATEMENT

MSEK	Q2 2015	Q2 2014	Q1-2 2015	Q1-2 2014
<i>Cash flow from operating activities</i>				
Income after financial income and expenses	2 367	2 099	2 931	4 142
Adjustment for depreciation, amortization and impairment losses	1 135	1 006	2 406	1 954
Adjustment for items that do not require the use of cash etc.	-244	-156	1 126	-359
Income tax paid	-411	-586	-953	-1 026
<b>Cash flow from operations before changes in working capital</b>	<b>2 847</b>	<b>2 363</b>	<b>5 510</b>	<b>4 711</b>
<i>Changes in working capital</i>				
Change in inventories	-94	-349	335	-946
Change in operating receivables	14	394	-1 081	-1 260
Change in operating liabilities	70	-972	561	-274
<b>Cash flow from changes in working capital</b>	<b>-10</b>	<b>-927</b>	<b>-185</b>	<b>-2 480</b>
Investments in rental equipment	-148	-117	-283	-212
Divestments of rental equipment	34	36	112	95
<b>Cash flow from operations</b>	<b>2 723</b>	<b>1 355</b>	<b>5 154</b>	<b>2 114</b>
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash	-	-2 787	-	-2 787
Investments in tangible assets	-766	-943	-1 365	-1 641
Proceeds from sale of tangible assets	29	77	64	130
Investments in intangible assets	-227	-206	-426	-411
Proceeds from sale of intangible assets	-	-	-	7
Other investments, net	28	18	32	-16
<b>Cash flow from investing activities</b>	<b>-936</b>	<b>-3 841</b>	<b>-1 695</b>	<b>-4 718</b>
Net cash flow after investing activities	1 787	-2 486	3 459	-2 604
<i>Cash flow from financing activities</i>				
Change in interest-bearing debt	-1 716	6 964	-2 502	4 349
Dividends paid	-4 390	-4 390	-4 393	-4 390
<b>Cash flow from financing activities</b>	<b>-6 106</b>	<b>2 574</b>	<b>-6 895</b>	<b>-41</b>
Cash flow for the period	-4 319	88	-3 436	-2 645
Cash and cash equivalents at beginning of the period	7 318	2 328	6 327	5 076
Exchange-rate differences in cash and cash equivalents	-63	74	45	59
Cash and cash equivalents at the end of the period	2 936	2 490	2 936	2 490

## THE PARENT COMPANY

### INCOME STATEMENT

MSEK	Q1-2 2015	Q1-2 2014
Revenue	8 346	8 618
Cost of sales and services	-5 729	-6 259
<b>Gross profit</b>	<b>2 617</b>	<b>2 359</b>
Selling expenses	-290	-322
Administrative expenses	-1 593	-1 182
Research and development costs	-746	-681
Other operating income and expenses	-776	-718
<b>Operating profit</b>	<b>-788</b>	<b>-544</b>
Income from shares in Group companies	775	1 260
Income from shares in associated companies	-	5
Interest income/expenses and similar items	-124	-505
<b>Profit after financial items</b>	<b>-137</b>	<b>216</b>
Appropriations	-	-
Income tax expense	48	17
<b>Profit for the period</b>	<b>-89</b>	<b>233</b>

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	30 JUN 2015	31 DEC 2014	CHANGE %	30 JUN 2014
Intangible assets	12	8	50	8
Property, plant and equipment	7 675	7 740	-1	7 499
Financial assets	46 878	46 370	1	44 032
Inventories	3 738	3 591	4	4 020
Current receivables	14 663	17 279	-15	16 160
Cash and cash equivalents	1	1	0	23
<b>Total assets</b>	<b>72 967</b>	<b>74 989</b>	<b>-3</b>	<b>71 742</b>
Total equity	23 800	28 196	-16	22 736
Untaxed reserves	4	4	0	4
Provisions	495	600	-18	600
Non-current interest-bearing liabilities	23 020	25 761	-11	24 296
Non-current non-interest-bearing liabilities	71	47	51	83
Current interest-bearing liabilities	13 183	8 478	55	18 325
Current non-interest-bearing liabilities	12 394	11 903	4	5 698
<b>Total equity and liabilities</b>	<b>72 967</b>	<b>74 989</b>	<b>-3</b>	<b>71 742</b>
Pledged assets	-	-	N/A	-
Contingent liabilities	15 774	15 938	-1	15 113
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	11 501	9 561	20	21 925
Investments in fixed assets	370	1 227	-70	574

N/A = not applicable

## MARKET OVERVIEW, THE GROUP

### ORDER INTAKE AND INVOICED SALES PER MARKET AREA SECOND QUARTER 2015

MARKET AREA	ORDER INTAKE	CHANGE *		SHARE	INVOICED SALES	CHANGE *		SHARE
	MSEK	%	% <sup>1)</sup>	%		MSEK	%	%
<b>THE GROUP</b>								
Europe	8 253	-5	-5	36	8 795	-1		37
North America	4 553	-13	-5	20	4 809	-7		21
South America	1 138	-28	-28	5	1 586	-4		7
Africa/Middle East	3 091	+51	+19	14	2 414	+3		10
Asia	4 352	-14	-10	19	4 582	-11		20
Australia	1 356	+19	+19	6	1 212	-14		5
<b>Total</b>	<b>22 743</b>	<b>-4</b>	<b>-4</b>	<b>100</b>	<b>23 398</b>	<b>-5</b>		<b>100</b>
<b>SANDVIK MACHINING SOLUTIONS</b>								
Europe	4 435	+0	+0	53	4 430	+1		53
North America	1 872	-8	-8	22	1 877	-7		23
South America	196	-18	-18	2	202	-14		2
Africa/Middle East	58	-16	-16	1	59	-19		1
Asia	1 727	-7	-7	21	1 709	-6		20
Australia	67	+9	+9	1	62	+1		1
<b>Total</b>	<b>8 355</b>	<b>-4</b>	<b>-4</b>	<b>100</b>	<b>8 339</b>	<b>-3</b>		<b>100</b>
<b>SANDVIK MINING</b>								
Europe	490	-42	-42	6	648	+10		9
North America	1 058	-26	+4	16	1 051	+7		15
South America	656	-31	-31	10	1 038	+5		15
Africa/Middle East	2 536	+70	+28	37	1 762	+4		26
Asia	1 077	-13	-13	16	1 365	-13		20
Australia	1 000	+8	+8	15	1 044	-16		15
<b>Total</b>	<b>6 817</b>	<b>-1</b>	<b>-5</b>	<b>100</b>	<b>6 908</b>	<b>-2</b>		<b>100</b>
<b>SANDVIK MATERIALS TECHNOLOGY</b>								
Europe	1 559	-0	-0	50	1 947	-1		53
North America	734	-13	-13	24	877	-20		24
South America	64	+6	+6	2	73	+7		2
Africa/Middle East	48	-31	-31	2	68	+20		2
Asia	629	-37	-17	21	654	-19		18
Australia	20	-4	-4	1	20	-5		1
<b>Total</b>	<b>3 054</b>	<b>-12</b>	<b>-7</b>	<b>100</b>	<b>3 639</b>	<b>-8</b>		<b>100</b>
<b>SANDVIK CONSTRUCTION</b>								
Europe	778	-8	-8	33	818	-12		35
North America	480	+33	+33	20	533	+11		23
South America	116	-41	-41	5	150	-36		7
Africa/Middle East	252	+8	+8	11	316	-1		14
Asia	488	-9	-9	21	425	-21		19
Australia	234	+251	+251	10	41	-26		2
<b>Total</b>	<b>2 348</b>	<b>+4</b>	<b>+4</b>	<b>100</b>	<b>2 283</b>	<b>-11</b>		<b>100</b>
<b>SANDVIK VENTURE</b>								
Europe	991	+3	+3	45	953	-5		43
North America	405	-30	-30	19	467	-27		21
South America	106	-5	-5	5	123	+21		6
Africa/Middle East	197	-29	-29	9	209	-10		9
Asia	431	+4	+4	20	428	+0		19
Australia	35	-42	-42	2	46	-34		2
<b>Total</b>	<b>2 165</b>	<b>-7</b>	<b>-7</b>	<b>100</b>	<b>2 226</b>	<b>-9</b>		<b>100</b>

\* 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	Q2	Q3	Q4	Q1-4	Q1	Q2	CHANGE Q2	
	2014	2014	2014	2014	2015	2015	%	% <sup>1)</sup>
Sandvik Machining Solutions	7 768	7 711	8 129	31 328	8 596	8 355	+8	-4
Sandvik Mining	6 217	5 566	5 695	23 533	6 203	6 817	+10	-1
Sandvik Materials Technology	3 449	3 335	3 296	14 713	3 725	3 054	-11	-12
Sandvik Construction	2 013	2 184	2 038	8 571	2 376	2 348	+17	+4
Sandvik Venture	1 741	2 182	2 123	7 795	2 263	2 165	+24	-7
Group activities	6	3	5	17	4	4		
<b>Group total</b>	<b>21 194</b>	<b>20 981</b>	<b>21 286</b>	<b>85 957</b>	<b>23 167</b>	<b>22 743</b>	<b>+7</b>	<b>-4</b>

### INVOICED SALES BY BUSINESS AREA

MSEK	Q2	Q3	Q4	Q1-4	Q1	Q2	CHANGE Q2	
	2014	2014	2014	2014	2015	2015	%	% <sup>1)</sup>
Sandvik Machining Solutions	7 676	7 658	8 122	30 856	8 438	8 339	+9	-3
Sandvik Mining	6 385	6 806	7 039	26 831	6 863	6 908	+8	-2
Sandvik Materials Technology	3 866	3 735	3 758	14 907	3 712	3 639	-6	-8
Sandvik Construction	2 281	2 232	2 169	8 553	2 144	2 283	+0	-11
Sandvik Venture	1 841	2 155	2 301	7 658	2 172	2 226	+21	-9
Group activities	2	7	5	16	5	3		
<b>Group total</b>	<b>22 051</b>	<b>22 593</b>	<b>23 394</b>	<b>88 821</b>	<b>23 334</b>	<b>23 398</b>	<b>+6</b>	<b>-5</b>

### OPERATING PROFIT BY BUSINESS AREA

MSEK	Q2	Q3	Q4	Q1-4	Q1	Q2	CHANGE Q2	
	2014	2014	2014	2014	2015	2015	%	% <sup>1)</sup>
Sandvik Machining Solutions	1 561	1 496	1 622	6 159	1 129	1 701	+9	
Sandvik Mining	452	614	644	2 398	68	786	+74	
Sandvik Materials Technology	647	482	330	1 880	100	286	-56	
Sandvik Construction	51	1	4	45	-95	151	+194	
Sandvik Venture	187	133	335	888	192	210	+13	
Group activities	-342	-264	-312	-1 250	-342	-231		
<b>Group total<sup>2)</sup></b>	<b>2 556</b>	<b>2 462</b>	<b>2 623</b>	<b>10 120</b>	<b>1 052</b>	<b>2 903</b>	<b>+14</b>	

### OPERATING MARGIN BY BUSINESS AREA

MSEK	Q2	Q3	Q4	Q1-4	Q1	Q2
	2014	2014	2014	2014	2015	2015
Sandvik Machining Solutions	20.3	19.5	20.0	20.0	13.4	20.4
Sandvik Mining	7.1	9.0	9.2	8.9	1.0	11.4
Sandvik Materials Technology	16.7	12.9	8.8	12.6	2.7	7.9
Sandvik Construction	2.3	0.0	0.2	0.5	-4.4	6.6
Sandvik Venture	10.2	6.2	14.6	11.6	8.8	9.5
<b>Group total</b>	<b>11.6</b>	<b>10.9</b>	<b>11.2</b>	<b>11.4</b>	<b>4.5</b>	<b>12.4</b>

### ADJUSTED OPERATING PROFIT BY BUSINESS AREA

MSEK	Q2	Q3	Q4	Q1-4	Q1	Q2	CHANGE Q2	
	2014	2014	2014	2014	2015	2015	%	% <sup>1)</sup>
Sandvik Machining Solutions	1 561	1 496	1 622	6 159	1 809	1 701	+9	
Sandvik Mining	452	614	644	2 398	798	786	+74	
Sandvik Materials Technology	647	482	259	1 809	365	286	-56	
Sandvik Construction	51	1	4	45	65	151	+194	
Sandvik Venture	262	137	335	967	202	210	-20	
Group activities	-342	-264	-312	-1 250	-306	-231		
<b>Group total<sup>2)</sup></b>	<b>2 631</b>	<b>2 466</b>	<b>2 552</b>	<b>10 128</b>	<b>2 934</b>	<b>2 903</b>	<b>+10</b>	

### ADJUSTED OPERATING MARGIN BY BUSINESS AREA

MSEK	Q2	Q3	Q4	Q1-4	Q1	Q2
	2014	2014	2014	2014	2015	2015
Sandvik Machining Solutions	20.3	19.5	20.0	20.0	21.4	20.4
Sandvik Mining	7.1	9.0	9.2	8.9	11.6	11.4
Sandvik Materials Technology	16.7	12.9	6.9	12.1	9.8	7.9
Sandvik Construction	2.3	0.0	0.2	0.5	3.0	6.6
Sandvik Venture	14.2	6.4	14.6	12.6	9.3	9.5
<b>Group total</b>	<b>11.9</b>	<b>10.9</b>	<b>10.9</b>	<b>11.4</b>	<b>12.6</b>	<b>12.4</b>

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

	Q2 2015	Q2 2014	Q1-4 2014
No. of shares outstanding at end of period ('000) <sup>1)</sup>	1 254 386	1 254 386	1 254 386
Average no. of shares('000) <sup>1)</sup>	1 254 386	1 254 386	1 254 386
Tax rate, %	27.4	26.8	27.5
Return on capital employed, % <sup>2)</sup>	11.6	12.3	13.4
Return on total equity, % <sup>2)</sup>	14.5	14.2	17.4
Return on total capital, % <sup>2)</sup>	8.7	8.7	10.3
Shareholders' equity per share, SEK	26.9	26.2	29.1
Net debt/equity ratio	0.85	0.96	0.75
Equity/assets ratio, %	32	32	34
Net working capital, %	28	30	28
Earnings per share, SEK	1.38	1.22	4.79
Cash flow from operations, MSEK	+2 723	+1 355	+9 515
Number of employees	46 888	48 428	47 318

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.



## AUDIT

The Company's Auditor has not carried out any review of the report for the first six months of 2015.

## CERTIFICATION

The Board of Directors and the CEO certify that the six-month report gives a fair overview of the Parent Company's and the Group's operations, financial position and results, and de-

scribes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

*Stockholm, 17 July 2015*  
**Sandvik Aktiebolag (publ)**

**Johan Molin**  
Chairman of the Board

**Jennifer Allerton**  
Board member

**Claes Boustedt**  
Board member

**Jürgen M Geissinger**  
Board member

**Johan Karlström**  
Board member

**Jan Kjellgren**  
Board member

**Tomas Kärnström**  
Board member

**Hanne de Mora**  
Board member

**Lars Westerberg**  
Board member

**Olof Faxander**  
President, CEO and  
Board member

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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 17 July 2015 at 08:00 CET. The report for the third quarter 2015 will be published on 23 October 2015.

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](mailto:info.ir@sandvik.com).

A presentation and teleconference will be held on 17 July 2015 at 11:00 CET at the World Trade Center in Stockholm.

Information is available at [www.sandvik.com/ir](http://www.sandvik.com/ir)

### CALENDAR 2015-2016:

2015	
23 October	Third-quarter report 2015
16 November	Sandvik Capital Markets Day
2016	
3 February	Fourth-quarter report 2015

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