



Press Release

Sandvik implements the final phase of the supply chain optimization program and makes further right-sizing as well as impairments

Sandvik has identified additional structural efficiency measures which will generate annual savings of about 600 million SEK, including the third and final phase of the supply chain optimization program. Results for the fourth quarter of 2015 will be impacted by non-recurring charges totaling 1,550 million SEK, out of which 552 million SEK impact cash flow.

"The total supply chain optimization program will reduce the number of production units by 23, in line with the original target for continuing operations. We will achieve significant efficiency improvements as a result of the reduction in the cost base over time," says Björn Rosengren, Sandvik's President and CEO.

"The additional right sizing measures are structural and taken to improve internal efficiency long term, hence do not reflect any recent change in the market environment. Impairment losses are primarily related to weaker than expected performance in parts of Sandvik's operations in China."

Due to a review of Sandvik Mining's supply chain optimization program phase two, Sandvik releases cost provisions of 169 million SEK. The targeted savings for the total supply chain optimization program are 1.3 billion SEK for continuing operations.

MSEK	SUPPLY CHAIN OPTIMIZATION	RIGHT-SIZING SANDVIK MACHINING SOLUTIONS & GROUP	IMPAIRMENTS	GROUP TOTAL
ESTIMATED SAVINGS RUN-RATE AT YEAR-END 2017	323	282	-	605
NON-RECURRING ITEMS Q4 2015	254	321	975	1,550
CASH FLOW IMPACT	231	321	-	552

Information concerning individual units will be announced locally on a case-by-case basis, pending union consultations.

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Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. Information was submitted for publication at 08.00 CET, 10 December 2015.

Sandvik Group

Sandvik is a high-tech and global engineering group offering advanced products and services that enhance customer productivity, profitability and safety. We hold world-leading positions in selected areas – tools for metal cutting, equipment and tools for the mining and construction industries, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems. In 2014, the Group had about 47,000 employees and sales of about 89 billion SEK in more than 150 countries.

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