



Sandvik reduces workforce in Sweden

Sandvik today gave notice of a personnel reduction of 365 employees in Sweden. The reduction affects employees at Sandvik Materials Technology and Sandvik Mining and Construction in Sandviken, as well as employees at Sandvik Materials Technology in Hallstahammar. The workforce reduction is a consequence of the Sandvik Group's new strategic direction and organization.

Workforce reduction at Sandvik Materials Technology

Sandvik Materials Technology introduced on 13 September 2011 a comprehensive improvement program ("The Step Change Program") that aims to increase profitability to a significantly higher and sustainable level and to strengthen the business area's leading position in key segments.

One of the objectives of the program is to sustainably reduce the overall cost structure by approximately 500 MSEK over a two to three year period, through such measures as reducing costs for staff and administration in addition to cost optimization of the sales organization.

Following a review of the organization, a structural redundancy corresponding to 500 employees globally has been identified, of whom about 295 employees in Sweden (230 in Sandviken and 65 in Hallstahammar). In Sandviken, the redundancies only affect salaried employees. In Hallstahammar, 20 salaried employees and 45 employees under collective agreements are affected.

Workforce reduction at Sandvik Mining and Construction

As a result of the Sandvik Group's new strategy and organization, the Sandvik Mining and Construction business area will be separated into two business areas, Sandvik Mining and Sandvik Construction as of 1 January 2012. The changes are expected to result in a redundancy of 70 salaried employees in Sandviken. The global review of Sandvik Mining and Construction's organization is still in progress.

"Our aim is to complete the work as quickly as possible to shorten the period of uncertainty for our employees," says Jonas Gustavsson, President of Sandvik Materials Technology.

The changes are expected to be completed during the first half of 2012.

Sandviken, 1 November 2011

Sandvik Aktiebolag (publ)

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.05 CET on 1 November 2011.

For further information contact Jonas Gustavsson, President of the Sandvik Materials Technology business area, +46 26 26 36 28 or Peter Larson, acting President of the Sandvik Mining and Construction business area, +46 26 26 51 51.

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