



# Press Release

## Sandvik Materials Technology continues to restructure wire- and strip operations

Sandvik Materials Technology today initiated negotiations with the unions in Sweden to restructure the wire and resistance strip operations, which will enable a shift in the product mix toward more advanced and profitable products in key segments, such as the energy sector.

The restructuring will primarily affect production of wire and resistance strip in Hallstahammar, Sweden, which will be discontinued over the course of the next 18 months. In conjunction with this, efforts will be intensified to phase out wire products that are not sufficiently profitable or do not form part of the core business. The manufacturing of the remaining part of the wire product program will primarily be transferred from Hallstahammar to Sandviken, but some of the wire volume will also be moved to the wire-drawing plants in India (Hosur) and China (Shanghai). In Sandviken, the parts of wire production that were destroyed in the fire in April 2011 will be rebuilt and fitted with more efficient technology. Production of resistance strip in Hallstahammar will also be relocated to Sandviken, with the aim of concentrating all strip manufacturing in Sweden to one location.

As a consequence of the planned changes, the workforce at Sandvik in Hallstahammar will gradually be reduced by 100 employees over the next 18 months. The aim is to manage the redundancy process in the best possible way.

“The restructuring is necessary to focus the product mix toward more advanced and profitable products. The planned measures also ensure that we conduct cost-efficient manufacturing and strengthen our position in key segments, such as the oil and gas- and nuclear power industry,” says Jonas Gustavsson, President of the Sandvik Materials Technology business area.

As part of the restructuring of the strip operations, decisions were also taken during the fourth quarter 2011 to discontinue the production of die cutting products in England (Rugby) and production of springs in China (Qingdao). The production at these facilities, which in total have about 30 employees, will be consolidated into other strip units within Sandvik.

The measures form part of the Step Change Program announced by Sandvik Materials Technology in September 2011, which aims to raise the business area’s profitability to a higher and more stable level and to strengthen the position in key segments. The restructuring costs are in line with what previously has been communicated.

Sandviken, 18 January 2012

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 09.30 CET on 18 January 2012.

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**The Sandvik Group**

*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.*

**Sandvik Materials Technology**

*Sandvik Materials Technology is a business area within the Sandvik Group and a world-leading manufacturer of high value-added products in advanced stainless steels, special alloys, as well as metallic and ceramic resistance materials for the most demanding industries. Its cutting-edge expertise is based on an integrated production platform and world-leading metallurgy and R&D. Operations are divided into four product areas: Tube, Strip, Wire and Heating Technology - and Primary Products. In 2010 sales were about SEK 15,700 M with 8,000 employees (pro forma rounded numbers).*