

10 DECEMBER 2015



# SUPPLY CHAIN PHASE III

	SANDVIK MACHINING SOLUTIONS	SANDVIK MATERIALS TECHNOLOGY	SANDVIK VENTURE	TOTAL PHASE III	PROVISION RELEASE SANDVIK MINING PHASE II	GROUP TOTAL
<b>ESTIMATED SAVINGS</b> RUN-RATE YEAR-END 2017	207	89	27	<b>323</b>	-	<b>323</b>
<b>NON-RECURRING ITEMS</b> Q4 2015	-334	-50	-39	<b>-423</b>	+169	<b>-254</b>
<i>OUT OF WHICH CASH FLOW</i>	-314	-35	-13	<b>-362</b>	+131	<b>-231</b>

**Note:** Following a review of Mining supply chain phase II, targeted savings have been reduced by 224MSEK (-2 units) which resulted in a provision release of 169MSEK in Q4 2015, partially off-setting the non-recurring charges booked in Q4 2015 (from 423 to 254MSEK)

# RIGHT-SIZING AND IMPAIRMENTS

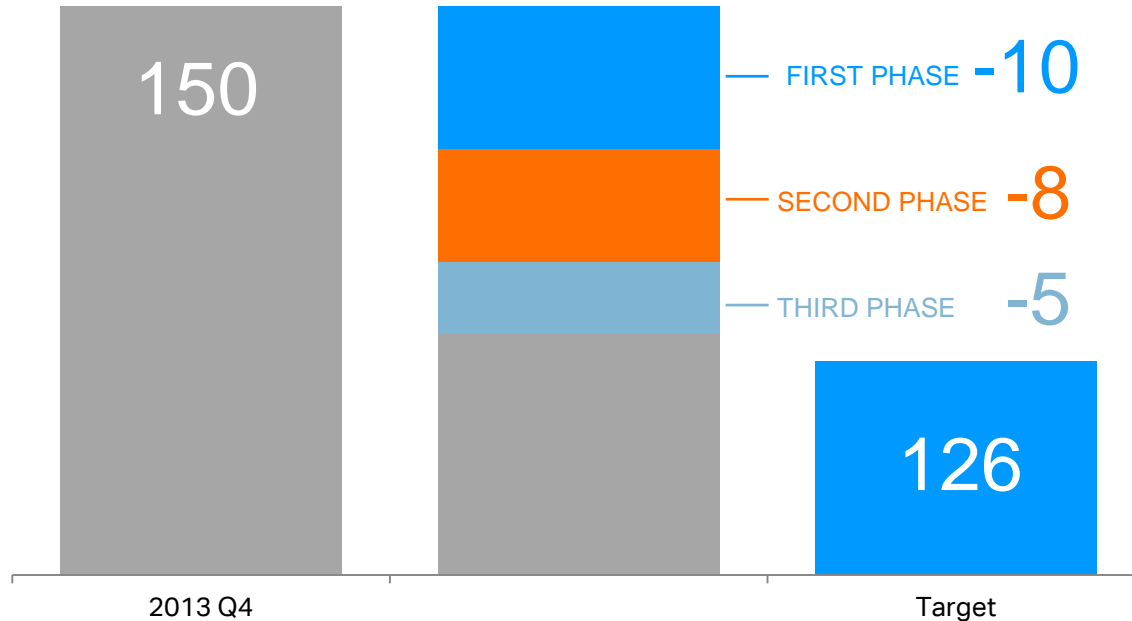
	RIGHT SIZING		IMPAIRMENTS				GROUP TOTAL
	SANDVIK MACHINING SOLUTIONS	GROUP COMMON	SANDVIK MINING	SANDVIK MATERIALS TECHNOLOGY	SANDVIK CONSTRUCTION	GROUP COMMON	
<b>ESTIMATED SAVINGS</b> RUN-RATE YEAR-END 2017	263	19	-	-	-	-	<b>282</b>
<b>NON-RECURRING ITEMS</b> Q4 2015	-296	-25	-255	-495	-200	-25	<b>-1,296</b>
<i>OUT OF WHICH CASH FLOW</i>	-296	-25	-	-	-	-	<b>-321</b>

- Sandvik Mining – Mainly related to dissolution of a Chinese JV
- Sandvik Materials Technology – related to restructuring of a factory in China
- Sandvik Construction – related to Shanbao operations in China
- Group common – impairment of R&D which was not commercialized



# RESTRUCTURING OUR FOOTPRINT

## SUPPLY CHAIN OPTIMIZATION PROGRAM CONTINUING OPERATIONS



### FIRST PHASE

TOTAL 7 UNITS closed to date

RUNRATE SAVINGS 549 MSEK  
END OF Q3 out of 690 MSEK  
target at year end 2015

### SECOND PHASE

8 UNITS IN SCOPE

TARGET SAVINGS at year end  
2016 320 MSEK

### THIRD PHASE

5 UNITS IN SCOPE

TARGET SAVINGS at year end  
2017 323 MSEK

UPDATED AFTER  
MINING REVIEW



An abstract graphic consisting of several bright blue lines that intersect to form a series of triangles and polygons, set against a black background. The lines are thin and create a sense of depth and movement.

# 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 movements, political risks, impact of competing products and their pricing, product development, commercialisation and technological difficulties, supply disturbances, and the major customer credit losses.”