

## **Press Release**

# Sandvik's Mackay Productivity Centre helps boost Central Queensland mine efficiency

**MACKAY, QUEENSLAND, JULY 23, 2014:** Sandvik has announced the upgrading of its Mackay service facility to a Productivity Centre – one of only four in Australia – capable of carrying out major machine rebuilds and repairs to full original as-new condition.

It joins Sandvik's recently opened Orange Productivity Centre in NSW's Central West, in Heatherbrae in the NSW Hunter Region, and in Perth, Western Australia.

According to Tony McDonald, Area Manager North - Service, the facility is designed to deliver industry-leading levels of service, as well as environmental, health and safety performance to Central Queensland mining operations.

It incorporates a modern, high-tech repair and rebuild facility, including a paint booth, along with a large warehouse operation.

McDonald said the facility and its processes have been upgraded, streamlined and improved to help it better serve the needs of mines in the region, and enhance safety performance in line with Sandvik customers' requirements. It will also service equipment for customers from outside Central Queensland.

He said the Mackay Productivity Centre was the latest example of Sandvik's focus on service and support for its customers throughout Australia.

"Our Mackay Productivity Centre – as one of four of these centres nationally – sets new standards for safety and environmental performance, service efficiency and turnaround times for our Central Queensland customers.

"The Sandvik Productivity Centre concept has been designed with one purpose: to align with our customers' goals and boost their productivity," he said.

"Sandvik's service benchmarks are to ensure that our customers' equipment remains safe and fully productive 24 hours a day, seven days a week, every day of the year – and to achieve that, nearly 75% of our staff worldwide are dedicated to customer support.

"We are now bringing to our aftermarket business the management techniques and methodologies that have enabled 70-80% productivity gains in our manufacturing operations around the world.

"Sandvik's vision is that the offering that we have in aftermarket will be very different in a couple of years as we go through this transition," said McDonald.

"What are we really concentrating on in this transition is all about time and waste.

"We are looking to driving out waste all through the aftermarket process, from how we quote, how we handle things, to we do on the shop floor and delivery and commissioning back with the customer – with the aim of significantly reducing the amount of time a piece of equipment is in our workshop and out of action.

"We recognise that the longer a customer's asset sits in a supplier's premises, the longer they don't have access to it; our ambition is to reduce this to a minimum, and to set a new standard in aftermarket service and efficiency," he said.

"We are also very much aware that the mining industry today is very focused on cost-reduction, and getting the best, lowest-cost performance and productivity from its equipment.

"Our ability to refurbish and rebuild existing equipment with several thousand hours on the clock, back to full as-new condition, at substantially less than the cost of new equipment, allows Sandvik to play an important role in reducing owning and operating costs, while maintaining productivity levels."

McDonald said the company's Mackay productivity centre was the latest example of this philosophy.

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"It incorporates a state-of-the-art workshop and a warehouse – and because of our standardised processes and readily available spare parts, we can provide rapid and cost-efficient repairs.

"This includes the ability to rebuild equipment to as-new condition, to Sandvik's OEM specifications and standards, and with full factory warranty," he said.

Complementing its Mackay Productivity Centre, Sandvik operates a number of dedicated Field Support Centres throughout Central/North Queensland, located in Emerald, Townsville and Mt Isa. Total Sandvik employees throughout the region number 122.

The entire Central/North Queensland area is also supported by a fleet of mobile service vehicles crewed by a fully trained field service team with the skills and experience to handle a wide range of requirements.

"Our field service technicians can also carry out machine inspections, advise on operational and maintenance practices, and assist customer technicians," McDonald said.

"Whether it's scheduled or unscheduled maintenance calls, our field service technicians have the indepth product knowledge and rapid support response to get customers' equipment up-and-running as soon as possible.

"We realise that trained, customer-focused technicians are vital to maintaining equipment and delivering productivity targets," he said.

Field services available from the Mackay Productivity Centre include:

- Repairs and breakdown services
- Servicing assistance
- Fault diagnosis
- Machine condition audits
- Scheduled maintenance
- Service maintenance agreements
- Machine tune-ups.

In addition to its service and support capabilities, Sandvik's Mackay Productivity Centre will serve as its regional warehouse for the entire Central Queensland region.

"Our industry-standard service workshop, large warehouse capacity and our extended field service capabilities give us the ability to deliver reduced downtime and increased productivity for our customers," McDonald said.

Further information:

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#### About Sandvik's service commitment

With a 150-year history, Sandvik has a long tradition as a pioneer and innovator in the mining industry. Throughout its history, it has developed a reputation for quality and reliable equipment – and has brought many innovative and ground-breaking products to the market.

Its philosophy is to constantly develop safer, more productive, more intelligent and more cost-effective products and services.

It supports these products with leading-edge technologies designed to deliver integrated service and support solutions.

And as the original equipment manufacturer, only Sandvik has the competence to help customers maintain the true value of their equipment without compromising safety or productivity, working together

with customers to keep their equipment and their businesses running as efficiently, productively and profitably as possible.

In order to achieve this, Sandvik Mining has developed a comprehensive service network supported by a global distribution system to deliver service, parts and components when required – helping ensure that equipment is up and running as fast as possible.

Sandvik Mining aims to be a reliable partner that not only supplies equipment, but also has the in-depth application knowledge of its customers' working environment, while offering a global presence able to provide the highest standards of support anywhere in the world.

#### Sandvik Mining specialist services

Sandvik Mining offers a wide range of aftermarket services to its customers throughout Australia, all of which are aligned with the objective of providing optimum levels of customer productivity. These include:

**Remanufacturing:** Sandvik Mining's remanufacturing services include complete machine rebuilds as well as major component repair and return, complemented by a Service Exchange program designed to minimise the impact of component failure and machine rebuild on productivity.

Component repair and return: Sandvik Mining's component repair and return service is designed to provide the peace of mind of having critical components repaired to the highest quality standards, ensuring machine reliability and performance is maintained. Sandvik components to be repaired are stripped down, and their wear and/or cause of failure assessed, after which the scope of repair is determined in conjunction with the customer to meet operational and budgetary requirements. All repairs are done using only Sandvik genuine parts and according to OEM specifications. Repaired components are then fully tested and returned to the customer. All work is performed at Sandvik Mining workshops or repair centres, such as the Mackay Productivity Centre.

**Service exchange program:** Sandvik's rebuild and repair services are supported by its service exchange program to reduce the impact of any repair or rebuild on productivity. This allows a dramatic reduction in turn-around time compared with a complete machine rebuild, and can virtually eliminate the effective repair time for a major component. Sandvik holds significant service exchange inventories of most critical repairable components, allowing it to provide an immediate replacement for a failed component in the field, as well as reducing turn-around time for machine remanufacturing. A failed unit returned to Sandvik is repaired back to full OEM specification, and then added to its service exchange stock.

**Machine rebuild:** These are typically required when changes in the working environment or aging of equipment results in increased operating costs, reduced reliability and potentially unsafe operation. Machine rebuild offers an economical alternative to purchasing new equipment. The economic life of a rebuilt machine can be significantly extended, effectively reducing the cost of ownership over the total lifespan of the machine. In addition, not only can a rebuilt machine be returned to its original performance levels, but the process can also take advantage of product upgrades to improve performance levels and ensure compliance with latest safety and legislative requirements.

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#### 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 2013 the Group had about 47,000 employees and representation in 130 countries, with annual sales of about 84,000 MSEK.

### Sandvik Mining

Sandvik Mining is a business area within the Sandvik Group and a leading global supplier of equipment and tools, service and technical solutions for the mining industry. The offering covers rock drilling, rock cutting, rock crushing, loading and hauling and materials handling. In 2013 sales amounted to about 28,000 MSEK, with approximately 13,000 employees.