

SKF invests in China -

SKF doubles Dalian factory capacity and forms strategic partnership with Sinovent Wind Co. Ltd.

SKF has today inaugurated its previously announced investment in Dalian factory, Liaoning Province. The SEK 638 million investment was initiated in May 2008, and was the second phase of a project started in 2005, which brings the total investment up to SEK 1.1 billion. A 25,000 m² facility has been added adjacent to the existing factory, doubling the manufacturing capacity.

The aim for this investment is to increase the manufacturing capacity for large and medium size bearings in China. This is in order to support the continuous business growth in China and other parts of Asia, especially in the areas of renewable energy, metalworking, mining, construction and industrial transmission industries. The number of employees will increase from currently 305 to a total of around 600 people when the production is running at full capacity. SKF in Dalian has received the Dalian Preferred Employer Award 2008 and the Dalian Trusted Employer Award 2009.

Today SKF also signed a Memorandum of Understanding (MoU) for strategic partnership with Sinovent Wind Co. Ltd., one of the largest wind turbine manufacturers in China. This MoU will create a platform to build a preferred supplier/customer relationship between SKF and Sinovent. The cooperation under this MoU will cover supply chain service system optimization, staff training and development, engineering development and design, as well as resources management.

In connection to this, SKF signed a series of contracts with Sinovent with a value exceeding SEK 330 million for main shaft bearings and sealing systems for 3MW wind turbines to be supplied in 2010. The majority of the bearings covered in these contracts will be produced in the newly-inaugurated Dalian facility.

The cooperation between SKF and Sinovent for 3MW turbine started in late 2008 for the East Sea Bridge Wind Farm, which is the first offshore wind farm in China and the largest of its kind in Asia.

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The first installed turbines were connected to the grid on 4 September. By the debut of 2010 Shanghai Expo, when all 34 turbines in the wind farm are integrated into the national grid, it will bring 260 million KWH electricity annually, equal to the electricity consumption of 300,000 inhabitants.

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Aktiebolaget SKF
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AB SKF may be required to disclose the information provided herein according to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 10.30 am CEST on 14 September 2009.

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SKF is a leading global supplier in the areas of bearings, seals, mechatronics, services and lubrication systems. The Group's service offer includes technical support, maintenance services, engineering consultancy and training. SKF is represented in more than 130 countries and has 15,000 distributor locations worldwide. The Group's annual sales 2008 were SEK 63,361 million. The number of employees was 44,799. www.skf.com.

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