

# Press release

## SKF expands in China

SKF has signed a joint venture contract with Shanghai Bearing (Group) Co. Ltd, (SBC), part of Shanghai Electrical Group Corporation, to establish a company to manufacture and sell high performance deep groove ball bearings. SKF holds 60 percent in the new joint venture and SBC 40 percent.

The market segment to be served is mainly household appliances, electrical motors, automotive electrical components, power tools and two-wheelers. This is a fast growing market in China and the production is planned to start in 12 months' time.

The joint venture will rent the new 9 000 sq meter factory building that is to be built in Shanghai. The joint venture will invest some SEK 125 million in the project and will employ 200 persons when the factory is working at full capacity.

SKF has, together with SBC, since six years a joint venture company manufacturing automotive bearings. With this new investment SKF has five joint venture companies, one sales company, seven representative offices and one holding company in China. SKF is also holding 20 percent of the shares in China's biggest bearing manufacturer, Wafangdian Bearing Co., Ltd.

Total turnover of SKF in China will, with the new joint venture, increase with some 15 percent and SKF will become the third biggest bearing company in the Chinese bearing market.

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