

NEWS RELEASE

Stockholm, Sweden, 10 January 2007

KMT signs global master agreement with SKF

KMT Lidköping has signed a global master agreement with SKF. This three-year deal implies KMT Lidköping supplying grinding machines and system solutions for modules at SKF's production facilities worldwide. Each precision grinding module comprises at least one grinding machine with an integrated robot and materials handling equipment.

SKF has been one of KMT Lidköping's major customers. However, this new master agreement means a deeper collaboration and greater volumes.

"The master agreement with SKF is an acknowledgement of KMT's technological leadership and innovative capacity," commented Johan Westberg, Business Area Manager of KMT Grinding, "notably, these qualities are symbolized by our newly developed machine range, which was one key reason for securing this agreement."

For more information, please contact:

Lars Bergström, President & CEO, Karolin Machine Tool AB Tel: +46 (0)8 594 21150 or e-mail: lars.bergstrom@kmtgroup.com

Johan Westberg, Business Area Manager, KMT Grinding Tel: +46 (0)510 88000 or e-mail: johan.westberg@kmtgroup.com

www.kmtgroup.com