

Press release, October 16, 2002

KMT gets large initial order from Chinese customer

KMT continues its success on the Chinese market with a large new order to the subsidiary Lidköping. The order is a result of Lidköping's strategy to aim for new geographic markets and customers with a high potential.

The customer Wanxiang Group Corporation is one of the top 500 companies in China and is an ISO 9002 Certified Manufacturer. In the Automotive Parts Industry, Wanxiang is a reliable supplier of Universal Joints, Bearings, and CV Joints to customers in over 40 countries around the world. Wanxiang America Corporation provides full-line customer service to the United States, Canada, Latin and South America and all of Europe.

The order consists of complete systems for bearing grinding including handling and measuring equipment. The delivery will take place in 2003.

"We are pleased to receive an order of this magnitude from an expanding world class company like Wanxiang", says Johan Westberg President at Lidköping. "We are committed to provide added value to our customer with superior process capabilities".

"KMT's resolute efforts in the Chinese market are generating additional results", says Björn Kumlin, CEO of KMT. "Long term activities and presence in the market has lead to large orders for several of the KMT-group companies during 2002".

"We see continuing possibilities in the expanding Chinese market".

For further information, please get in touch with:

Björn Kumlin, CEO, Karolin Machine Tool AB
Tel +46 8 594 211 50 / +46 70 587 26 60
e-mail: bjorn.kumlin@kmt.se



KAROLIN MACHINE TOOL AB

Johan Westberg, President, Lidköping Machine Tools AB

Tel: +46 510 880 00 / +46 70 558 82 98

e-mail: johan.westberg@lidkoping.com