

SKF to build factory in Russia for railway bearings

SKF has decided to build a factory in Russia for taper bearing units to supply to the fast growing Russian railway market. This new investment will further strengthen SKF's position as world leader in the railway industry.

The construction of the new factory will start in September 2008 and will be in operations by April 2010. The factory will also have a channel dedicated to reconditioning of bearings.

The Group's investment amounts to around SEK 235 million and the number of employees will be about 150.

The final site for the new factory is not yet decided, but is expected to be in the vicinity of Moscow.

The Russian railways, RZD, is rebuilding its rail transport system, both infrastructure and rolling stock, and is now the world's largest investor in rail transport, both in rolling stock and with a 25% network expansion.

Russia is now in a technology transition phase introducing taper bearing units to replace cylindrical roller bearings and axlebox designs. This shift to pre-lubricated taper bearing units is driven by an objective to obtain longer maintenance intervals and lower life cycle costs. SKF has a leading position in supplying taper bearing units to the railway industry all over the world and intends to get an important part of the Russian market.

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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 13.30 on 20 December.

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