



PRESS RELEASE
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Ovako invests to meet demand from the energy sector

Ovako is investing EUR 7.5 million in Hofors to meet demand from the energy sector, particularly in wind power. The initiative is part of a previously announced investment programme aimed at developing Ovako in Hofors in advanced applications for clean steel.

Ovako's ring mill in Hofors is one of the world's leading suppliers of large steel rings for advanced applications. One important application is for large ball bearing races, used mainly for wind turbines. The transition to a more climate-neutral energy system means that the market outlook is positive, and wind turbines are becoming larger. The investment aims to ensure greater quality and service life of the steel used.

Following successful testing with a larger ingot size, Ovako has now decided to carry out investment to produce ingots up to 20 tonnes. The ingot size will initially be 8.4 tonnes, as a complement to the current size of 4.2 tonnes. The larger ingots are essential to meet the quality requirements for large rings in the new generation of wind turbines.

The investment comprises a new casting area, improved ladle handling in the steel mill, increased heating capacity, and materials handling equipment in the forge. The total investment is expected to amount to EUR 7.5 million and is expected to be operational in the third quarter of 2016.

The investment is part of a long-term development plan for Hofors announced in autumn 2014. The investment will free up the forge from the normal production flow, which means significant productivity improvements at the Hofors rolling mill. Further steps to improve the efficiency of the rolling mill are planned for the coming years.

Further information can be obtained from:

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Ovako is a leading European producer of engineering steel for customers in the bearing, transportation and manufacturing industries. Our production is based on recycled steel and includes steel in the form of bars, tubes, rings and pre-components. Ovako is represented in more than 30 countries and has sales offices in Europe, North America and Asia. Sales in 2014 amounted to EUR 862 million, and the company had 2,925 employees at year-end. For further information please visit us at www.ovako.com