

Press release 19 October 2011

SKF Nine-month report 2011

"This was another very good quarter from the SKF Group with a strong development in our sales and operating profit and with a good cash flow. We took additional steps to further strengthen SKF such as the launch of a number of new products and the opening of a new factory in China. The political and financial turbulence had little impact on our sales in the quarter with the main effects being seen in our sales to the car industry. However, the major decline in demand in the wind energy market in China affected our sales in the Asian region.

As you would expect there is uncertainty in the demand outlook. However, as we see it just now for the fourth quarter most of the industrial markets will still perform well while we expect to see weaker demand in the car, truck, railway and wind energy markets. From a Group viewpoint this means that we expect to see demand at a similar level as last year but somewhat slowing sequentially. At the end of the third quarter we started to reduce our manufacturing and this will be further reduced in the fourth quarter."



Tom Johnstone, President and CEO

Key figures	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Net sales, SEKm	16,545	15,465	49,959	45,620
Operating profit, SEKm	2,479	2,309	7,606	6,250
Operating margin, %	15.0	14.9	15.2	13.7
Profit before taxes, SEKm	2,345	1,950	7,109	5,501
Net profit, SEKm	1,656	1,425	5,019	3,946
Basic earnings per share, SEK	3.52	3.05	10.72	8.41

Net sales change in SEK, attributable to:	Volume	Price/mix	Structure	Currency effect	Total
Q3 2011	6.2%	2.0%	5.1%	-6.3%	7.0%
Year to date 2011	12.8%	1.6%	4.8%	-9.7%	9.5%

Sales in local currency in the third quarter compared to the same period last year (excl. structure)

Sales for the Group increased by 8.2%. In Europe they increased by 9.7%, in North America by 9.9%, in Latin America by 10.2%, in Asia by 4.9% and in the Middle East and Africa they were unchanged.

The manufacturing level was higher than in the third quarter last year.

Outlook for the fourth quarter of 2011

Demand compared to the fourth quarter last year

The demand for SKF's products and services is expected to be relatively unchanged for the Group. It is expected to be slightly lower in Europe, relatively unchanged in North America and slightly higher in Asia and Latin America. The demand is expected to be slightly higher for the Industrial Division, higher for the Service Division and lower for the Automotive Division.

Demand compared to the third quarter 2011

The demand for SKF's products and services is expected to be slightly lower for the Group. It is expected to be slightly lower for Europe, relatively unchanged for Asia and North America, and slightly higher for Latin America. The demand is expected to be relatively unchanged for the Industrial Division and the Service Division, and slightly lower for the Automotive Division.

Manufacturing level

The manufacturing level is expected to be lower year on year and compared to the third quarter.

Demand outlook for Q4 2011 per region, division and main segments

Share of sales 2010	Regions	Sequential trend	Q4 2011 vs Q4 2010	Share of sales 2010	Main segments	Sequential trend
46%	Europe	→	-	4%	Trucks	→
27%	Asia/Pacific	→	+	14%	Cars	→
18%	North America	→	=	5%	Energy	→
6%	Latin America	→	+	4%	Railway	→
Divisions				25%	Industrial Distribution	→
32%	Industrial	→	+	18%	Industrial OEM, General + Special	→
36%	Service	→	++	12%	Vehicle Service Market	→
30%	Automotive	→	--	10%	Industrial OEM, Heavy + Off-highway	→
Total		→	=	3%	Two-wheelers and electrical	→
				5%	Aerospace	→

Explanations: Relatively unchanged → = Slightly lower → - Slightly higher → +
 Lower → -- Higher → ++
 Significantly lower → --- Significantly higher → +++

Key figures

	30 September 2011	30 June 2011	30 September 2010
Inventories, % of annual sales	22.5	21.7	20.2
ROCE for the 12-month period, %	25.1	25.9	20.7
ROE for the 12-month period, %	31.4	31.5	24.3
Equity/assets ratio, %	35.3	35.8	36.0
Gearing, %	50.2	48.6	47.6
Net debt/equity, %	80.8	82.1	61.5
Net debt, SEKm	17,540	16,757	10,973
Registered number of employees	46,236	45,678	42,475

Cash flow

Cash flow, after investments and before financing, was SEK 1,323 million (1,936) for the third quarter 2011 and SEK 2,995 million (3,128) for the first nine months.

Financial net

The financial net in the third quarter was SEK -134 million (-359), for the first nine months it was SEK -497 million (-749). The financial net in the third quarter last year was negatively impacted by around SEK 150 million relating to the Ovako vendor note.

Exchange rates

The effects of translation and transaction flows, had a negative effect of around SEK 400 million on SKF's operating profit in the third quarter, compared to the corresponding period last year. It is estimated that there will be a negative effect of SEK 100 million on operating profit in the fourth quarter which gives a negative effect for the full year of SEK 1.2 billion, based on current assumptions and exchange rates and compared to the corresponding period last year.

Highlights

- SKF opened a regional distribution centre in Montevideo, Uruguay in order to strengthen the service to customers and distributors in Latin America. This centre joins the global network of regional distribution centers, which SKF has in North America, Europe and Asia.
- In September, SKF inaugurated its second bearing factory in Dalian, China. The factory produces medium size bearings, which complement the range of large bearings produced in the existing factory opened in 2006. SKF now has 13 factories in China.
- For the 12th successive year, SKF was selected to be a member of Dow Jones' Sustainability World indexes and for the 11th year in succession in the FTSE4Good Index Series.



FTSE4Good



Industrial Division

Comments on sales are based on local currencies excluding structure and compared to the corresponding period for 2010. The operating margin has been calculated on sales including intra-Group sales.

Yearly and quarterly comparisons

Amounts in SEKm unless otherwise stated.

	Q1/10	Q2/10	Q3/10	Q4/10	Full year 2010	Q1/11	Q2/11	Q3/11	Year to date 2011
Net sales	4,830	5,021	5,131	5,068	20,050	6,006	6,046	5,947	17,999
Sales incl. intra-Group sales	7,150	7,572	7,610	7,504	29,836	8,623	8,660	8,707	25,990
Operating profit	721	914	1,002	921	3,558	1,177	1,177	1,096	3,450
Operating margin	10.1%	12.1%	13.2%	12.3%	11.9%	13.6%	13.6%	12.6%	13.3%
Assets and liabilities, net	15,516	16,035	14,920	23,496	23,496	22,588	23,012	24,100	24,100
Registered number of employees	17,790	17,803	17,969	20,018	20,018	20,244	20,337	20,419	20,419

As a step in the integration process of Lincoln Industrial there has been a reorganization between Industrial Division and Service Division in the lubrication business. Previously published divisional information for 2010 and 2011 has been restated accordingly.

Net sales change in SEK, attributable to:	Organic growth	Structure	Currency effect	Total
Q3 2011	7.1%	14.4%	-5.6%	15.9%
Year to date 2011	15.5%	14.4%	-9.8%	20.1%

Sales development

Sales for the Industrial Division were higher for the third quarter and significantly higher for the first nine months. In Europe and North America sales for the third quarter and for the first nine months were significantly higher. In Asia sales were significantly lower for the third quarter and significantly higher for the first nine months.

Main segments with significantly higher sales both for the quarter and for the first nine months are aerospace, railway, fluid power, industrial gearboxes, construction equipment, farm and forestry. Sales to the renewable energy industry in China were significantly lower for both the quarter and the nine months, while in Europe and North America they were relatively unchanged for the quarter but significantly lower for the nine months.

New products

A number of products were launched during the quarter, some examples:

- A new range of seals for wind turbine drive trains which offers high-performance and reliability as well as easy installation and replacement.
- A new bearing range, mainly developed for industrial fans, textile equipment and conveyors. These new energy efficient Y-bearings give a 50% reduction in the bearing frictional torque compared to conventional SKF Y-bearings.
- An upgraded range of SKF Explorer spherical roller bearings which offers at least twice the previous life when operating in a contaminated environment. These are primarily used in applications such as metals, mining, mineral and cement processing industries, industrial transmission and material handling applications.
- SKF Solar Linear Actuators designed specifically to meet the solar tracking technical requirements. They accurately track the sun from sunrise to sunset and are virtually maintenance-free and designed for a 20-year service life.



Service Division

Comments on sales are based on local currencies excluding structure and compared to the corresponding period for 2010. The operating margin has been calculated on sales including intra-Group sales.

Yearly and quarterly comparisons

Amounts in SEKm unless otherwise stated.

	Q1/10	Q2/10	Q3/10	Q4/10	Full year 2010	Q1/11	Q2/11	Q3/11	Year to date 2011
Net sales	4,958	5,487	5,459	5,499	21,403	5,633	5,732	5,843	17,208
Sales incl. intra-Group sales	5,039	5,569	5,549	5,589	21,746	5,724	5,828	5,937	17,489
Operating profit	638	734	779	825	2,976	862	920	929	2,711
Operating margin	12.7%	13.2%	14.0%	14.8%	13.7%	15.1%	15.8%	15.6%	15.5%
Assets and liabilities, net	5,239	5,553	4,949	5,017	5,017	5,265	5,589	5,484	5,484
Registered number of employees	5,642	5,622	5,686	5,741	5,741	5,835	5,947	5,977	5,977

As a step in the integration process of Lincoln Industrial there has been a reorganization between Industrial Division and Service Division in the lubrication business. Previously published divisional information for 2010 and 2011 has been restated accordingly.

Net sales change in SEK, attributable to:	Organic growth	Structure	Currency effect	Total
Q3 2011	12.5%	1.5%	-7.0%	7.0%
Year to date 2011	16.9%	1.0%	-9.7%	8.2%

Sales development

Sales for the Service Division were significantly higher for the third quarter as well as for the first nine months.

Sales in Europe, Asia, North America and Latin America were significantly higher for the third quarter as well as for the first nine months. Sales in the Middle East and Africa were relatively unchanged for the quarter and higher for the first nine months.

Highlights

- During the quarter, SKF was named the leading global supplier within asset reliability software and services according to ARC Advisory Group.
- The 120,000th certificate in SKF Distributor College was awarded in September. The SKF Distributor College enables distributors to better support their customers through training in the use of SKF products and services, as well as the critical applications in which they will be used.
- SKF Service Division has run three major conferences in the quarter. In August, a conference was run in Latin America with the focus on how SKF together with the Certified Maintenance Partners can support its customers in the best way with their challenges. In September, two distributor development conferences were held in Beijing, China. One gathered over 500 SKF distributors from all countries in Asia Pacific while the other was held focusing on the Chinese market with over 300 SKF distributors. Key messages were how to grow together on the aftermarket.



Distributors at the Distributor Development Conference in Beijing, China, testing a SKF Thermal Camera TKT1 20 with an infrared detector. Thermal imaging is used by many industries as a predictive maintenance technique.

Automotive Division

Comments on sales are based on local currencies excluding structure and compared to the corresponding period for 2010. The operating margin has been calculated on sales including intra-Group sales.

Yearly and quarterly comparisons

Amounts in SEKm unless otherwise stated.

	Q1/10	Q2/10	Q3/10	Q4/10	Full year 2010	Q1/11	Q2/11	Q3/11	Year to date 2011
Net sales	4,362	4,850	4,528	4,491	18,231	4,702	4,558	4,375	13,635
Sales incl. intra-Group sales	5,229	5,831	5,499	5,436	21,995	5,636	5,509	5,300	16,445
Operating profit	373	569	468	445	1,855	507	448	333	1,288
Operating margin	7.1%	9.8%	8.5%	8.2%	8.4%	9.0%	8.1%	6.3%	7.8%
Assets and liabilities, net	8,443	8,507	7,980	8,036	8,036	7,973	8,298	8,831	8,831
Registered number of employees	13,569	13,925	14,399	14,474	14,474	13,987	14,421	14,665	14,665

Net sales change in SEK, attributable to:	Organic growth	Structure	Currency effect	Total
Q3 2011	3.2%	-0.7%	-5.9%	-3.4%
Year to date 2011	9.5%	-0.9%	-9.4%	-0.8%

Sales development

Sales in the third quarter were slightly higher in total, they were relatively unchanged in Europe and Latin America, higher in North America and significantly higher in Asia. For the first nine months sales were significantly higher in total as well as in Europe, North America and Asia. In Latin America they were slightly higher.

Sales in the quarter to the car and light truck industries in Europe were slightly lower, in North America they were higher, in Asia they were significantly higher and in Latin America significantly lower. For the first nine months sales were slightly higher in Europe, relatively unchanged in North America, lower in Latin America and significantly higher in Asia.

Sales to the heavy trucks industries were significantly higher in Europe and North America both for the quarter and the first nine months. In Asia they were higher for the quarter and significantly higher for the first nine months. In Latin America they were relatively unchanged in the quarter and higher in the first nine months.

Sales to the vehicle service market were significantly lower in Europe both for the quarter and the first nine months. In North America they were higher both for the quarter and the first nine months. In Asia, sales were significantly higher in the quarter and the first nine months and in Latin America they were significantly lower for the quarter and higher for the first nine months.

Sales to the electrical industry in Europe as well as to the two-wheeler industry in Asia were significantly higher in the third quarter as well as for the first nine months.

Previous outlook statement:

Outlook for the third quarter of 2011

Demand compared to the third quarter last year

The demand for SKF's products and services is expected to be significantly higher for the Group as well as for Asia and Latin America. For Europe and North America it is expected to be higher. It will be significantly higher for the Industrial Division and for the Service Division and higher for the Automotive Division.

Demand compared to the second quarter 2011 and adjusted for normal seasonality

The demand for SKF's products and services is expected to be slightly higher for the Group as well as for North America. It is expected to be relatively unchanged for Europe, higher in Asia and significantly higher in Latin America. For the Industrial Division and the Service Division it is expected to be slightly higher and for the Automotive Division relatively unchanged.

Manufacturing level

The manufacturing level will be significantly higher year on year and relatively unchanged compared to the second quarter, adjusted for normal seasonality.

Highlights in the previous quarter

In Q1

- SKF was awarded a contract worth around SEK 500 million with Goldwind, one of the leading turbine manufacturers in China. Goldwind selected the SKF Nautilus bearing as the main shaft arrangement for their new 2.5 MW direct drive turbine. Deliveries will be made during 2011 and the first quarter of 2012.
- SKF signed a three-year strategic partnership agreement worth SEK 335 million with Sandvik Mining and Construction.
- SKF and Konkola Copper Mines Plc in Zambia signed a three-year contract worth USD 2 million covering a Predictive Maintenance solution.
- SKF signed a strategic partnership agreement with CITIC Pacific Special Steel Co., Ltd, which includes cooperation in purchasing, new product and technology development and human resources development.
- SKF announced a new factory in Jinan, in the Shandong Province, China. This new investment of around SEK 590 million will support the rapid growth of SKF's business in China and Asia. The factory will initially employ about 500 people and primarily manufacture tapered roller bearings for the truck industry.
- SKF signed an agreement to remain as the main partner to the Gothia Cup, the world's largest youth football tournament, for an additional three years. SKF will also continue to run the "Meet the World" qualifying tournaments held in around 20 countries globally.
- SKF completed two agreements in line with its strategy to divest non-core component manufacturing:
 - On 1 February 2011, the forging business OMVP, in Villar Perosa, Italy to the German based

company Neumayer Tekfor Holding GmbH. OMVP has about 550 employees and net sales of around EUR 100 million, mainly to SKF.

- At the beginning of the second quarter the cage factory in Gothenburg to the Japanese component manufacturer Nakanishi Metal Works CO., Ltd. The factory has 130 employees and will continue to supply SKF.

In Q2

- SKF and Chalmers University of Technology agreed to establish a University Technology Centre (UTC) located at Chalmers in Gothenburg, Sweden. The UTC aims to conduct research and development covering technology, manufacturing, business processes and business strategy within the area of sustainability and environment.
- AB SKF issued a EUR 500 million Eurobond with a maturity of seven years. The notes have been listed on the Official List of the Luxembourg Stock Exchange. The proceeds were primarily used to refinance the debt related to the acquisition of Lincoln Industrial in 2010.
- SKF Logistics Services was awarded "Best service provider" by the Belgian Shippers' Council Organization of Traffic Management (OTM). The award honors companies that build co-operations based on trust, flexibility and creativity.
- SKF and Bombardier Aerospace entered into a long-term contract for SKF to supply over 40 different rod assemblies and titanium bearings for Bombardier's all new CSeries aircraft. The CSeries aircraft, which is optimized for the single-aisle 100 to 149 seat market will enter service in 2013. The contract includes rods for flight control systems and doors and landing gear bearings. The rods and bearings will be manufactured at SKF Aerospace's North American and European factories. Initial deliveries will be taking place later this year.
- SKF signed a contract worth EUR 15 million with MAN Diesel Turbo for magnetic bearings and related electronic components to be used in two sub-sea natural gas sets of compressors, located in the Asgard gas field in the Norwegian Sea. These SKF solutions offer the end-user higher reliability performance, are equipped with remote monitoring and are maintenance-free. SKF will supply these products during the second half of 2011 and in 2012.
- SKF launched a new series of virtually maintenance free bearings with an extended service life in extreme temperatures. These are named SKF DryLube bearings and help customers to reduce costs and to improve their environmental performance by reducing lubricant leakage and waste water contamination. The new solution has very low friction and can be applied in extreme temperatures, as low as -150°C and up to +350°C. The main application areas for the SKF DryLube bearings are within the metal industry, as well as in the food and beverage industry.

- SKF awarded and celebrated its 100,000th certificate in the SKF Distributor College. The SKF Distributor College helps distributors' employees to be even better in supporting their customers, through training in the proper use of SKF products and in services, as well as in the critical applications in which they will be used. The college is used extensively with 15,000 registered users and by the end of the quarter the number of certificates issued was over 112,700.
- In June, a strategic partnership agreement was signed between SKF and Maanshan Iron & Steel (MaSteel) in Nanjing, China. This expands the co-operation scope and makes full use of the competitive advantages of both sides. It will focus on service relationships and progresses towards reduced total cost of ownership and sustainability.
- The SKF Asset Management conferences are held regionally every other year and the most recent was conducted this quarter in Buenos Aires, Argentina with over 175 customers attending. The focus was on bringing practical solutions to complex problems customers experience in their factories. The event followed a format of sharing best practices, many presented by customers and included time for networking both with other customers and SKF technical resources. Also shared with customers were the newest innovations like shaft alignment products, remote diagnostic systems to provide customers with 24/7 information at their fingertips and advanced modeling and engineering solutions to solve difficult structural and bearing applications.
- SKF gained new business in Columbia for the remanufacturing of large size bearings. With the establishment of the SKF Solution Factory Colombia end of 2010 SKF now offers this service close to customers in the country.
- SKF entered into a project with Volvo Car Corporation and Volvo Group aimed at evaluating industrialization of flywheel systems. This technology has potential to achieve fuel savings as high as 20% for passenger cars, which would enable significant CO₂ reductions.
- SKF expanded the range of the SKF Hub Knuckle Module, adding the central nut clamping design on the wheel connection side. The Ferrari 458 Italia sports car is equipped with this new single nut hub bearing unit from SKF. The solution has proven to withstand severe cornering forces and higher lateral accelerations.
- Five new products were launched, including:
 - SKF Low Weight Hub Bearing Unit. This new wheel-end solution of the flanged hub bearing design contributes to a significant weight reduction and thereby reduces fuel consumption and CO₂ emissions. By combining steel, which provides the expected rolling bearing performance, with aluminium, as the flanged structural component, the overall weight can be reduced by up to 30% compared to a standard unit.
 - SKF Double Clutch Bearing Set and clutch support angular contact ball bearing. These clutch bearings

are robust high performing products for double clutch transmissions. It provides higher efficiency and reduces fuel consumption and CO₂ emissions compared to standard transmissions. The bearings are able to resist very high temperature and loads, as well as to achieve an extended lifetime in a compact package.

Risks and uncertainties in the business

The SKF Group operates in many different industrial, automotive and geographical segments that are at different stages of the economic cycle. A general economic downturn at global level, or in one of the world's leading economies, could reduce the demand for the Group's products, solutions and services for a period of time. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets and natural disasters, could have a negative effect on the demand for the Group's products and services. There are also political and regulatory risks associated with the wide geographical presence. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could limit the SKF Group's operations.

The SKF Group is subject to both transaction and translation of currency exposure. For commercial flows the SKF Group is primarily exposed to the USD and to US dollar-related currencies. As the major part of the profit is made outside Sweden, the Group is also exposed to translational risks in all the major currencies. The parent company performs services of a common Group character. The financial position of the parent company is dependent on the financial position and development of the subsidiaries. A general decline in the demand for the products and services provided by the Group could mean lower dividend income for the parent company, as well as a need for writing down values of the shares in the subsidiaries.

Cautionary statement

This report contains forward-looking statements that are based on the current expectations of the management of SKF. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors mentioned in SKF's latest annual report (available on www.skf.com) under the Administration Report; "Important factors influencing the financial results", "Financial risks" and "Sensitivity analysis", and in this full-year report under "Risks and uncertainties in the business."

Gothenburg, 19 October 2011
Aktiebolaget SKF
(publ.)

Tom Johnstone
President and CEO

AB SKF is required to disclose the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 12.00 on 19 October 2011.

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Enclosures:

Financial statements

1. Condensed consolidated income statements and reconciliation to profit before tax for the Group
2. Condensed consolidated statements of comprehensive income and condensed consolidated statements of changes in shareholders' equity
3. Condensed consolidated balance sheets
4. Condensed consolidated statements of cash flow

Other financial statements

5. Condensed consolidated financial information - yearly and quarterly comparisons
6. Condensed parent company income statements, statements of comprehensive income, balance sheets and footnote

The consolidated financial statements of the SKF Group are prepared in accordance with International Financial Reporting Standards as adopted by EU. The SKF Group applies the same accounting policies and methods of computation in the interim financial statements as compared with the Annual Report 2010 including Sustainability Report. No new or amended IFRS effective 2011 had any significant impact on the Group.

The consolidated quarterly report has been prepared in accordance with IAS 34. The report for the parent company has been prepared in accordance with the Annual Accounts Act and RFR 2. The report has not been reviewed by the company's auditors.

The SKF Year-end report 2011 will be published on Thursday, 26 January 2012.

Conference call, ref.no. 904663
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Please don't use your phone's loudspeaker as this has a negative effect on the sound.

You will find all information regarding SKF Nine-month results 2011 on:

investors.skf.com/quarterlyreporting

Enclosure 1

Condensed consolidated income statements

<i>SEKm</i>	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Net sales	16,545	15,465	49,959	45,620
Cost of goods sold	-11,866	-11,040	-35,641	-33,077
Gross profit	4,679	4,425	14,318	12,543
Selling and administrative expenses	-2,258	-2,042	-6,724	-6,202
Other operating income/expenses, net	58	-76	11	-90
Profit/loss from jointly controlled and associated companies	0	2	1	-1
Operating profit	2,479	2,309	7,606	6,250
Operating margin, %	15.0	14.9	15.2	13.7
Financial income and expense, net	-134	-359	-497	-749
Profit before taxes	2,345	1,950	7,109	5,501
Taxes	-689	-525	-2,090	-1,555
Net profit	1,656	1,425	5,019	3,946
Net profit attributable to				
Shareholders of the parent	1,603	1,389	4,880	3,827
Non-controlling interests	53	36	139	119
Key figures				
Basic earnings per share, SEK *	3.52	3.05	10.72	8.41
Diluted earnings per share, SEK *	3.52	3.05	10.72	8.41
Additions to property, plant and equipment	451	369	1,242	1,191
Number of employees registered	46,236	42,475	46,236	42,475
Return on capital employed for the 12-month period ended 30 September, %	25.1	20.7	25.1	20.7

* Basic and diluted earnings per share are based on net profit attributable to shareholders of the parent.

Condensed consolidated statements of comprehensive income

<i>SEKm</i>	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Net profit	1,656	1,425	5,019	3,946
Other comprehensive income				
Exchange differences arising on translation of foreign operations	711	-1,577	322	-1,682
Available-for-sale assets	-115	79	-269	50
Cash flow hedges	-122	178	-172	4
Actuarial gains and losses	-1,343	-594	-1,381	-1,455
Income tax relating to components of other comprehensive income	520	102	566	342
Other comprehensive income, net of tax	-349	-1,812	-934	-2,741
Total comprehensive income	1,307	-387	4,085	1,205
Total comprehensive income attributable to				
Shareholders of AB SKF	1,233	-320	3,985	1,119
Non-controlling interests	74	-67	100	86

Enclosure 2

Reconciliation to profit before tax for the Group

<i>SEKm</i>	Jan-Sep 2011	Jan-Sep 2010
Operating profit:		
Industrial Division	3,450	2,637
Service Division	2,711	2,151
Automotive Division	1,288	1,410
Other operations outside the divisions	254	273
Unallocated Group activities and adjustments, net	-97	-221
Financial net	-497	-749
Profit before tax for the Group	7,109	5,501

Previously published amounts have been restated to conform to the current Group structure in 2011. The structural changes include business units being moved between the divisions and between other operations/Group activities and divisions.

Condensed consolidated statements of changes in shareholders' equity

<i>SEKm</i>	Jan-Sep 2011	Jan-Sep 2010
Opening balance 1 January	19,894	18,280
Total comprehensive income	4,085	1,205
Cost for performance share programmes	46	23
Other, including transactions with non-controlling interests	0	-35
Total cash dividends	-2,305	-1,622
Closing balance	21,720	17,851

Number of shares

	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Total number of shares	455,351,068	455,351,068	455,351,068	455,351,068
- whereof A shares	42,949,482	45,066,004	42,949,482	45,066,004
- whereof B shares	412,401,586	410,285,064	412,401,586	410,285,064
Total number of diluted shares outstanding	455,351,068	455,351,068	455,351,068	455,351,068
Total weighted average number of diluted shares	455,351,068	455,351,068	455,351,068	455,351,068

Enclosure 3

Condensed consolidated balance sheet

<i>SEKm</i>	September 2011	December 2010
Goodwill	6,270	6,309
Other intangible assets	4,230	4,164
Property, plant and equipment	13,122	12,922
Deferred tax assets	2,101	1,695
Other non-current assets	1,387	1,411
Non-current assets	27,110	26,501
Inventories	14,732	12,879
Trade receivables	11,281	9,859
Other current assets	3,657	2,839
Other current financial assets	4,718	3,146
Current assets	34,388	28,723
Total assets	61,498	55,224
Equity attributable to shareholders of AB SKF	20,689	18,935
Equity attributable to non-controlling interests	1,031	959
Long-term financial liabilities	12,832	10,850
Provisions for post-employment benefits	8,805	7,093
Provisions for deferred taxes	2,008	2,132
Other long-term liabilities and provisions	1,560	1,622
Non-current liabilities	25,205	21,697
Trade payables	5,123	4,476
Short-term financial liabilities	819	1,325
Other short-term liabilities and provisions	8,631	7,832
Current liabilities	14,573	13,633
Total equity and liabilities	61,498	55,224

Enclosure 4

Condensed consolidated statements of cash flow

<i>SEKm</i>	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Operating activities:				
Operating profit	2,479	2,309	7,606	6,250
Depreciation, amortization and impairment	434	474	1,302	1,453
Net loss/gain (-) on sales of intangible assets, PPE and businesses	-13	-8	-24	25
Taxes	-798	-361	-2,181	-1,211
Other including financial and non-cash items	-230	-243	-50	-1,497
Changes in working capital	-146	163	-2,531	-727
Net cash flow from operations	1,726	2,334	4,122	4,293
Investing activities:				
Payments for intangible assets, PPE, businesses and equity securities	-504	-428	-1,328	-1,257
Sales of PPE and businesses	101	30	201	92
Net cash flow used in investing activities	-403	-398	-1,127	-1,165
Net cash flow after investments before financing	1,323	1,936	2,995	3,128
Financing activities:				
Change in short- and long-term loans	551	-56	875	-1,355
Payment for finance lease liabilities	-2	-2	-7	-10
Cash dividends	-3	-11	-2,305	-1,622
Investments in short-term financial assets	-13	-562	-125	-669
Sales of short-term financial assets	73	138	210	365
Net cash flow used in financing activities	606	-493	-1,352	-3,291
Net cash flow	1,929	1,443	1,643	-163
Change in cash and cash equivalents:				
Cash and cash equivalents at 1 July/1 January	2,040	2,910	2,395	4,430
Cash effect excl. acquired/sold businesses	1,929	1,443	1,692	-163
Cash effect of acquired/sold businesses	0	0	-49	0
Exchange rate effect	65	-160	-4	-74
Cash and cash equivalents at 30 September	4,034	4,193	4,034	4,193

Change in net interest-bearing liabilities	Closing balance 30 Sep 2011	Cash change	Businesses acquired/sold	Other non cash changes	Translation effect	Opening balance 1 Jan 2011
Loans, long- and short-term	13,173	875	0	-70	572	11,796
Post-employment benefits, net	8,752	-330	-25	1,884*	176	7,047
Financial assets, others	-961	85	-20	-26	13	-1,013
Cash and cash equivalents	-4,034	-1,692	49	0	4	-2,395
Net interest-bearing liabilities	16,930	-1,062	4	1,788	765	15,435

* includes actuarial gains and losses.

Condensed consolidated financial information - yearly and quarterly comparisons

<i>Amounts in SEKm unless otherwise stated.</i>	Q1/10	Q2/10	Q3/10	Q4/10	Full year 2010	Q1/11	Q2/11	Q3/11	Year to date 2011
Net sales	14,446	15,709	15,465	15,409	61,029	16,702	16,712	16,545	49,959
Cost of goods sold	-10,701	-11,336	-11,040	-11,139	-44,216	-12,007	-11,768	-11,866	-35,641
Gross profit	3,745	4,373	4,425	4,270	16,813	4,695	4,944	4,679	14,318
Gross margin, %	25.9	27.8	28.6	27.7	27.5	28.1	29.6	28.3	28.7
Selling and administrative expenses	-2,032	-2,128	-2,042	-2,020	-8,222	-2,151	-2,315	-2,258	-6,724
- as % of sales	14.1	13.5	13.2	13.1	13.5	12.9	13.9	13.7	13.5
Other operating income/expenses, net	-7	-7	-76	-49	-139	-40	-7	58	11
Profit/loss from jointly controlled and associated companies	-4	1	2	1	0	0	1	0	1
Operating profit	1,702	2,239	2,309	2,202	8,452	2,504	2,623	2,479	7,606
Operating margin, %	11.8	14.3	14.9	14.3	13.8	15.0	15.7	15.0	15.2
Operating margin excl. one-off items, %	12.4	14.3	14.9	14.9	14.2	15.0	15.7	15.0	15.2
Financial income and expense, net	-198	-192	-359	-154	-903	-186	-177	-134	-497
Profit before taxes	1,504	2,047	1,950	2,048	7,549	2,318	2,446	2,345	7,109
Profit margin before taxes, %	10.4	13.0	12.6	13.3	12.4	13.9	14.6	14.2	14.2
Taxes	-434	-596	-525	-698	-2,253	-698	-703	-689	-2,090
Net profit	1,070	1,451	1,425	1,350	5,296	1,620	1,743	1,656	5,019
Net profit attributable to									
Shareholders of the parent	1,033	1,405	1,389	1,311	5,138	1,568	1,709	1,603	4,880
Non-controlling interests	37	46	36	39	158	52	34	53	139
Key figures									
Operating profit excl. amortization	1,742	2,288	2,333	2,239	8,602	2,567	2,682	2,544	7,793
Basic earnings per share, SEK *	2.27	3.09	3.05	2.87	11.28	3.44	3.76	3.52	10.72
Diluted earnings per share, SEK *	2.27	3.09	3.05	2.87	11.28	3.44	3.76	3.52	10.72
Dividend per share, SEK	-	3.50	-	-	3.50	-	5.00	-	5.00
Return on capital employed for the 12-month period, %	11.9	16.8	20.7	24.0	24.0	25.6	25.9	25.1	25.1
Gearing, % **	48.3	47.4	47.6	48.6	48.6	47.2	48.6	50.2	50.2
Equity/assets ratio, %	36.2	36.0	36.0	36.0	36.0	37.0	35.8	35.3	35.3
Net worth per share, SEK *	38	38	37	42	42	43	43	45	45
Additions to property, plant and equipment	389	433	369	460	1,651	397	394	451	1,242
Registered number of employees	41,055	41,644	42,475	44,742	44,742	44,784	45,678	46,236	46,236

* Basic and diluted earnings per share and Net worth per share are based on net profit attributable to shareholders of the parent.

** Current- plus non-current loans plus provisions for post-employment benefits, net, as a percentage of the sum of current- plus non-current loans, provisions for post-employment benefits, net, and shareholders equity, all at end of interim period/year end.

Enclosure 6

Parent company condensed income statements

<i>SEKm</i>	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Net sales	511	448	1,510	1,245
Cost of services provided	-511	-448	-1,510	-1,245
Gross profit	0	0	0	0
Administrative expenses	-22	14	-83	-118
Other operating income/expenses, net	0	-1	1	-12
Operating profit/loss	-22	13	-82	-130
Financial income and expenses, net	884	545	1,724	1,786
Profit before taxes	862	558	1,642	1,656
Taxes	36	29	105	89
Net profit	898	587	1,747	1,745

Parent company statements of comprehensive income

<i>SEKm</i>	July-Sep 2011	July-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Net profit	898	587	1,747	1,745
Other comprehensive income				
Available-for-sale assets	-116	77	-269	50
Other comprehensive income, net of tax	-116	77	-269	50
Total comprehensive income	782	664	1,478	1,795

Parent company condensed balance sheets

<i>SEKm</i>	Note	September 2011	December 2010
Investments in subsidiaries		22,472	22,257
Receivables from subsidiaries		12,348	10,591
Other non-current assets		419	689
Non-current assets		35,239	33,537
Receivables from subsidiaries		1,408	2,616
Other receivables		412	136
Current assets		1,820	2,752
Total assets		37,059	36,289
Shareholders' equity	1	10,715	11,490
Untaxed reserves		1,417	1,417
Provisions		162	165
Non-current liabilities		12,335	10,581
Current liabilities		12,430	12,636
Total shareholders' equity, provisions and liabilities		37,059	36,289
Assets pledged		0	0
Contingent liabilities		5	5

Note 1 - Shareholders' equity

<i>SEKm</i>	September 2011	September 2010
Opening balance 1 January	11,490	10,208
Dividends	-2,277	-1,594
Total comprehensive income	1,478	1,795
Exercise of options and cost for share programmes, net	24	23
Closing balance	10,715	10,432

Glossary

Ball bearings versus roller bearings

The main difference in the performance of these two bearing types is that ball bearings have lower friction than roller bearings, while roller bearings have a higher load-carrying capacity.

By-wire technology

In by-wire systems, the direct mechanical control is replaced by electronic control.

Condition monitoring

By regularly measuring vibration levels in bearings and machines, maintenance factors impacting on bearing service life and machine operation can be controlled. Condition monitoring instrumentation and software enable the early detection of bearing and machinery problems, making it possible for technicians to take the necessary steps in order to address a problem before it results in unanticipated downtime.

Friction

A force that counteracts movement between contact surfaces. Friction is by nature complex and is calculated by means of an empirical factor. Friction consumes energy and generates heat in rotating machinery.

Hub bearing unit

Easy-to-mount, compact bearing unit for passenger car wheels. It is based on a doublerow angular contact ball bearing and has integrated seals. It can be equipped with a sensor suitable for anti-lock braking systems (ABS), traction control and so on.

Integrated Maintenance Solution (IMS)

An IMS contract is an expanded troublefree operation programme which consists of services such as training, installation supervision, root cause failure analysis and the condition monitoring of rotating machinery.

Large size bearings

The range includes standard bearings as well as bearings tailored for specific applications. Bearings with an outside diameter of more than 420 mm are considered as large. The bearings are available both in metric and inch dimensions.

Life cycle analysis

Systematic analysis of all environmental impacts of a product during its entire life cycle, i.e. from raw material to end-of-life product recovery or disposal.

Linear products

A common name for components, units and systems for linear movement. They include linear bearings, profile rail guides, linear ball bearing slides and so on.

Lubricant

Grease, oil or other substance to facilitate the motion of surfaces relative to each other, e.g. in a bearing.

Self-aligning ball bearing

This bearing type, invented in 1907 by SKF's founder Sven Wingquist, solved one of the largest industrial problems of the time – the continual production stoppages caused by bearing failure. As the alignment of the shafts was not accurate enough for the rigid ball bearings that were normally used, the bearings failed due to misalignment. The double-row, self-aligning ball bearings accommodated the misalignment without reducing service life, thereby solving the problem.

SKF Business Excellence

SKF Business Excellence was launched in 2010. It is about delivering value to customers in the most effective and efficient way possible, through utilizing the knowledge of employees, partners and the company's technology. Business Excellence builds on many of the initiatives started by the SKF Group over a number of years, the most recent was SKF Manufacturing Excellence. With Business Excellence SKF is expanding the experience from the manufacturing area into other processes and operations within the SKF Group. Business Excellence is more than just about results – it actively challenges the organization to consider whether it is achieving the right results in the best way possible. SKF Manufacturing Excellence focuses on reducing waste and eliminating non-value adding activities. The heart of the system is the people in the production process.

SKF Care

Sustainability is one of SKF's five business drivers, alongside Profitability, Quality, Innovation and Speed. SKF's approach to sustaining financial and operational excellence centres on the SKF Care concept, which consists of Business Care, Environmental Care, Employee Care, and Community Care.

SKF Manufacturing Excellence

SKF Bridge of Manufacturing Excellence focuses on reducing waste and eliminating non-value adding activities. SKF bases this on the following five principles: Standardised way of working, Right from me, We care, Demand driven flow and Continuous improvement. The heart of the system is the people in the production process, who use these principles everyday to continuously improve their work.

SKF Solution Factory

The SKF Solution Factory combine the full range of SKF's expertise within technology platforms with workshop facilities, providing customized service and solutions to customers. This brings many SKF bearing services and integrated value-adding solutions close to the customers – such as re-manufacturing and customization, application engineering, spindle repair, lubrication applications, mechanical services including mounting, alignment and balancing, remote monitoring centre and training.

Super-precision bearings

SKF's comprehensive assortment of superprecision bearings is designed for machine tool spindles and other applications that require a high level of running accuracy at high to extremely high speeds. Each bearing type incorporates unique features to make it suitable for specific operating conditions.

Tribology

Tribology is the science and technology of interacting surfaces in relative motion. It includes the study and application of the principles of friction, lubrication and wear.

Definitions

1. Portion of risk-bearing capital

Equity and provisions for deferred taxes, as a percentage of total assets.

2. Equity/assets ratio

Equity as a percentage of total assets.

3. Gearing

Loans plus net provisions for post-employment benefits, as a percentage of the sum of loans, net provisions for post-employment benefits and equity.

4. Net debt/equity

Total short-term financial assets excluding derivatives minus loans and provisions for post-employment benefits, as a percentage of equity.

5. Return on total assets

Operating profit/loss plus interest income, as a percentage of twelve months rolling average of total assets.

6. Return on capital employed

Operating profit/loss plus interest income, as a percentage of twelve months rolling average of total assets less the average of non-interest bearing liabilities.

7. Return on equity

Profit/loss after taxes as a percentage of twelve months rolling average of equity.

8. Operating margin

Operating profit/loss, as a percentage of net sales.

9. Basic earnings/loss per share in SEK

Profit/loss after taxes less non-controlling interests divided by the ordinary number of shares.

10. Registered number of employees

Total number of employees included in SKF's payroll at the end of the period.

11. Average number of employees

Total number of working hours of registered employees, divided by the normal total working time for the period.

12. Equity per share (Net worth per share)

Equity excluding non-controlling interests divided by the ordinary number of shares.

SKF is a leading global supplier of bearings, seals, mechatronics, lubrication systems and services which include technical support, maintenance and reliability services, engineering consulting and training. SKF is represented in more than 130 countries and has 15,000 distributor locations worldwide. Annual sales in 2010 were SEK 61,029 million and the number of employees was 44,742. www.skf.com