

SKF First-quarter report 2012

Tom Johnstone, President and CEO:

"The SKF Group delivered a very good result and cash flow in the quarter, in line with our expectations. As planned we took steps to reduce inventories and ran production significantly lower than sales. From a sales viewpoint we saw a very different development between the regions. There was very strong growth in both North America and Latin America and this was quite broad based across many of the industries we serve. In Europe our industrial businesses developed well while the automotive business as expected was significantly down. In Asia we had a weak development, but the trend improved during the quarter and we expect that to continue.

During the quarter we took a number of important steps to strengthen the Group. We signed an agreement to acquire General Bearings Corporation and expect to finalize it in the second quarter. We opened our two new University Technical Centres in Sweden, launched a number of new products and gained some important new business. We also introduced a new organisation to better serve the industrial market through a more industry focussed structure and a full asset life cycle approach.

Looking at the second quarter we see an improving business environment for the Group and expect sales to be slightly up both sequentially and year on year. Again the main growth will be in the Americas but we also expect a continued improvement in Asia and a stable development in Europe. All three Business Areas are expected to show sequential growth."

Key figures	Q1 2012	Q1 2011
Net sales, SEKm	16,931	16,702
Operating profit, SEKm	2,140	2,504
Operating margin, %	12.6	15.0
Profit before taxes, SEKm	1,981	2,318
Net profit, SEKm	1,341	1,620
Basic earnings per share, SEK	2.84	3.44

Net sales change in SEK, attributable to:	Volume	Price/mix	Structure	Currency effect	Total
Q1 2012	-0.8%	1.9%	-0.1%	0.4%	1.4%

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

Sales for the Group increased by 1.1%. In Europe they decreased by 1.2% and in Asia by 8.1%. In North America they increased by 14.7 %, in Latin America by 11.1% and in Middle East and Africa by 2.5%.

The manufacturing level was significantly lower than in the first quarter last year.

Outlook for the second quarter of 2012

Demand compared to the second quarter last year

The demand for SKF's products and services is expected to be slightly higher for the Group. It is expected to be relatively unchanged in Europe and Asia, and significantly higher in North America and Latin America. The demand is expected to be slightly higher for Strategic Industries and Regional Sales and Service and relatively unchanged for the Automotive.

Demand compared to the first quarter 2012

The demand for SKF's products and services is expected to be slightly higher for the Group. It is expected to be relatively unchanged in Europe, slightly higher in North America and higher in Asia and Latin America. The demand is expected to be slightly higher for all business areas.

Manufacturing level

The manufacturing level is expected to be lower year on year but higher compared to the first quarter.

Press release



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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 08.00 on 19 April 2012.

A teleconference, ref.no. 915230, will be held on 19 April 2012 at 09.00 CET, 08.00 (UK):
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You will find all information regarding SKF First-quarter results 2012 on the IR website.
investors.skf.com/quarterlyreporting

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