

The SKF logo is centered on a white background. It consists of the letters 'S', 'K', and 'F' in a bold, blue, sans-serif font. The letters are stylized with thick strokes and sharp corners. The 'S' is a simple block letter. The 'K' has a distinctive shape with a vertical stem and a horizontal top bar. The 'F' is also a block letter with a horizontal top bar and a vertical stem. The entire logo is enclosed within a red, rounded rectangular border that has a slight shadow effect.

SKF

**The SKF Group
Half-year result 2004**

Tom Johnstone, President & CEO

Areas in focus 2004

Performance Q2

Operating margin level

- Maintain a positive price/mix
- Implement restructuring plan

- Price/mix 1.8 %
- Running according to plan

Continued sales growth

- Maintain organic growth pace
- Acquisitions

- 10.7 % organic growth
- Willy Vogel, yearly sales MSEK 1 000

Cash flow in line with net profit

- Strong cash flow

Launch Six Sigma throughout the SKF Group

- As planned

Second quarter 2004

MSEK	2004	2003
Net sales	11 417	10 532
Operating profit	1 162	945
Operating margin	10.2%	9.0%
Profit before taxes	1 052	815
Net profit	738	569
Earnings per share, SEK	6.48	4.99
Cash flow*	538	510

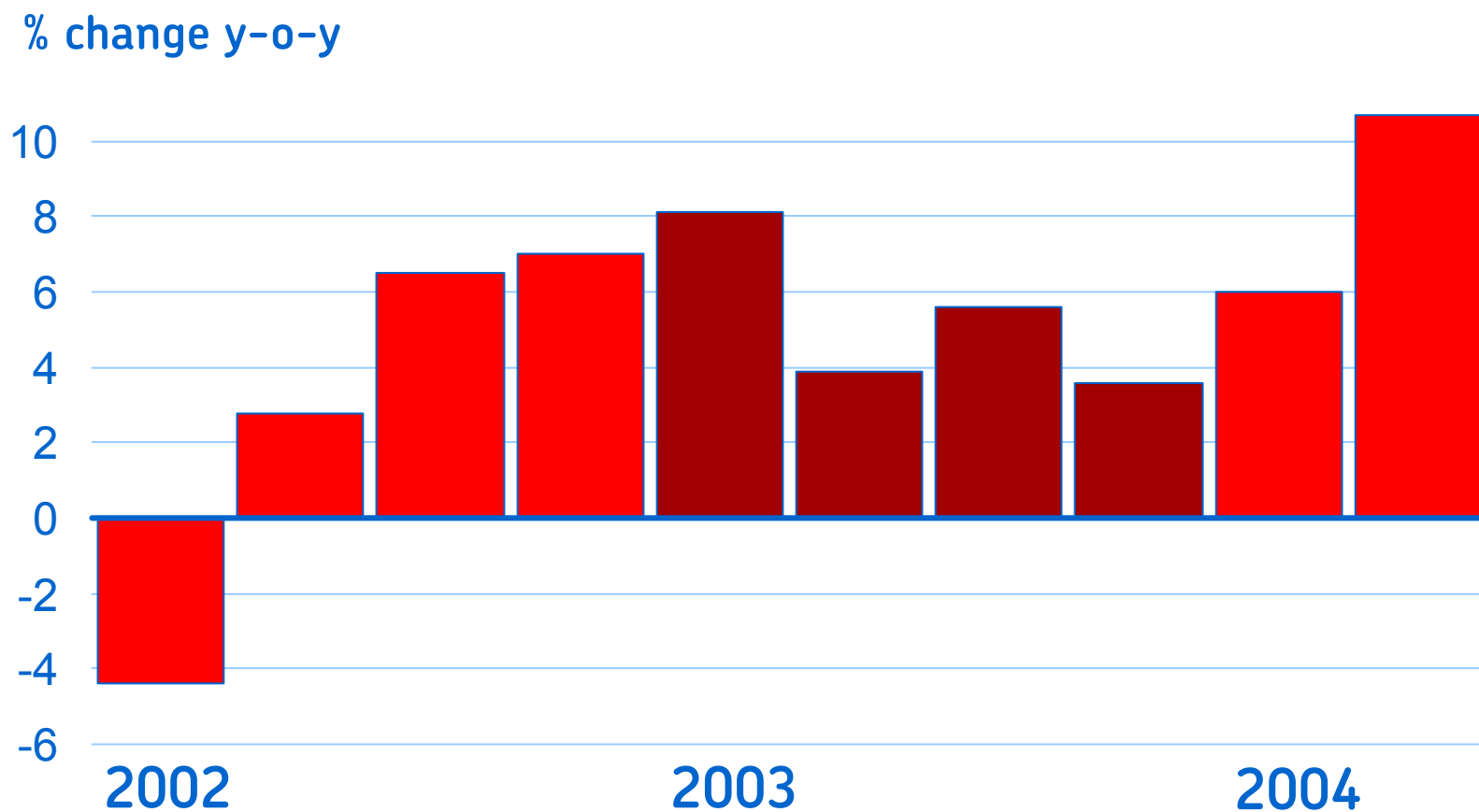
* after investments before financing

Half-year result 2004

MSEK	2004	2003
Net sales	22 106	21 073
Operating profit	2 069	1 889
Operating margin	9.4%	9.0%
Profit before taxes	1 871	1 617
Net profit	1 386	1 131
Earnings per share, SEK	12.17	9.93
Cash flow*	1 039	557

* after investments before financing

Sales in local currency

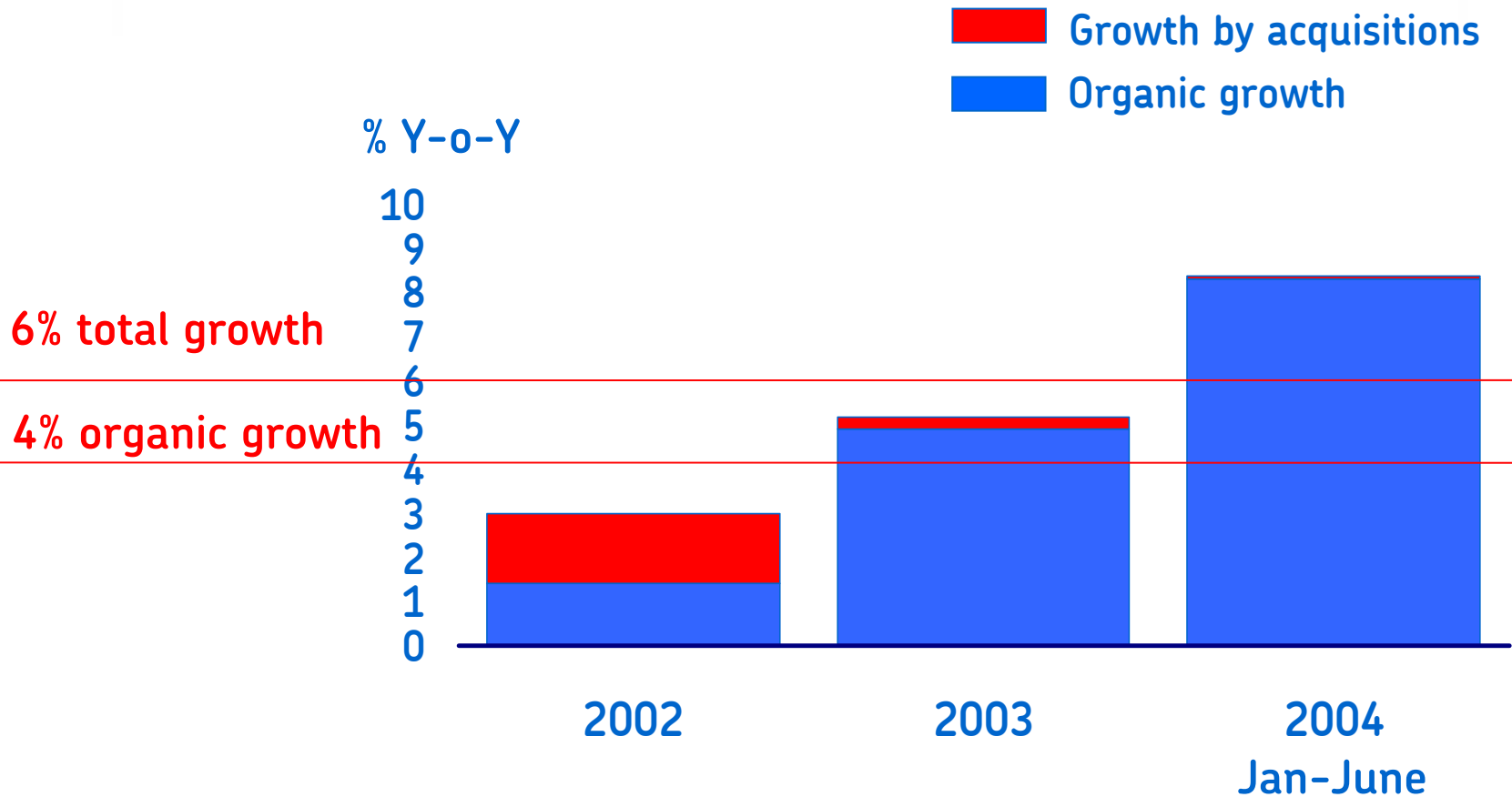


Net sales development per quarter

Percent y-o-y	2002				2003				2004	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Structure	1.4	1.9	2.0	1.4	0.7	0.1	0.2	0.3	0.1	0.0
Volume	- 7.3	-0.5	3.3	3.9	6.2	3.2	4.2	3.1	4.8	8.9
Price / Mix	1.5	1.4	1.2	1.7	1.2	0.6	1.2	0.1	1.1	1.8
Sales in local currency	- 4.4	2.8	6.5	7.0	8.1	3.9	5.6	3.5	6.0	10.7
Currency	2.2	-3.7	-8.3	-10.8	-9.3	-8.6	-5.5	-7.4	- 4.6	-2.3
Net sales	- 2.2	-0.9	-1.8	-3.8	-1.2	-4.7	0.1	-3.9	1.4	8.4

Growth development / local currency

10 BSEK additional sales = 6 % annual growth rate



Willy Vogel AG - Key Facts

- A world leader in the lubrication systems market
- Present in most industrial segments and markets
- Annual turnover of MSEK 1 000
- 940 employees - Highly skilled workforce
- Modern manufacturing plants
- SKF pays MSEK 650 and takes over net debts to an amount of approximately MSEK 60.
- Sales price over book value : approximately 1/3.
- Vogel will be reported as part of SKF (Industrial Division), as from the third quarter this year.

Applications and System solutions



Printing Machinery



Paper Machines



Automotive Presses



Off-Road Vehicles

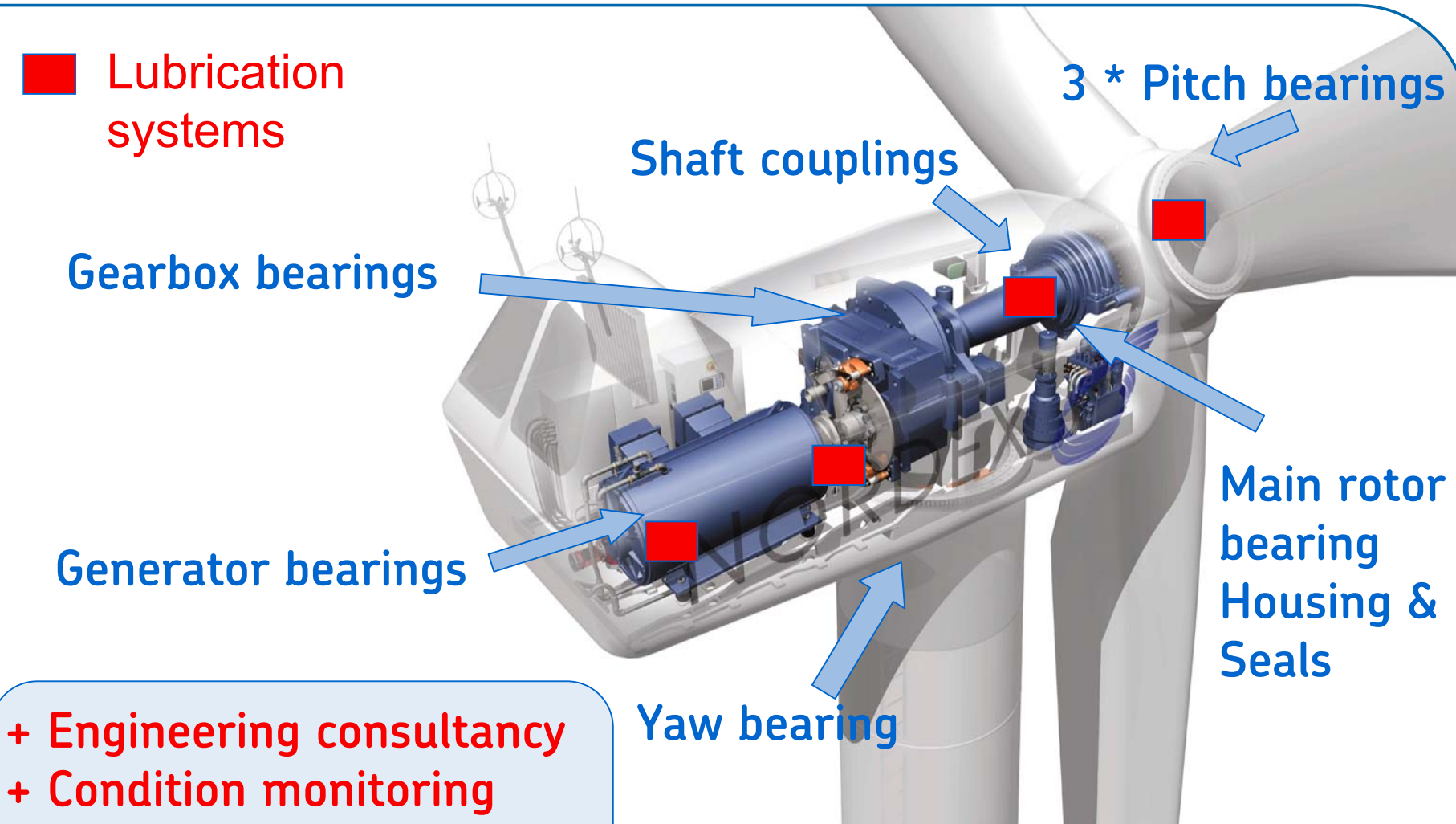


On-Road Vehicles

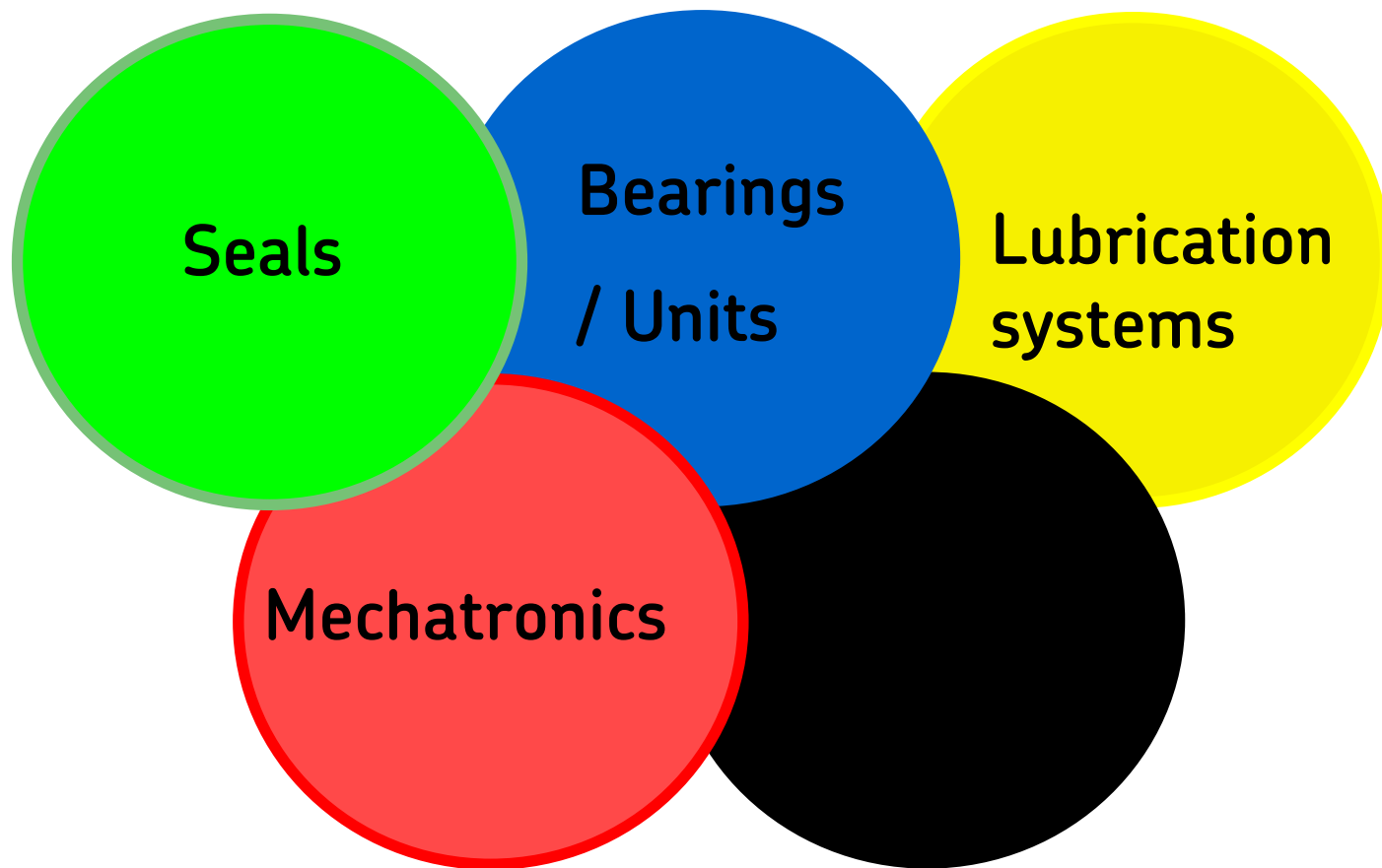


Machine Tools

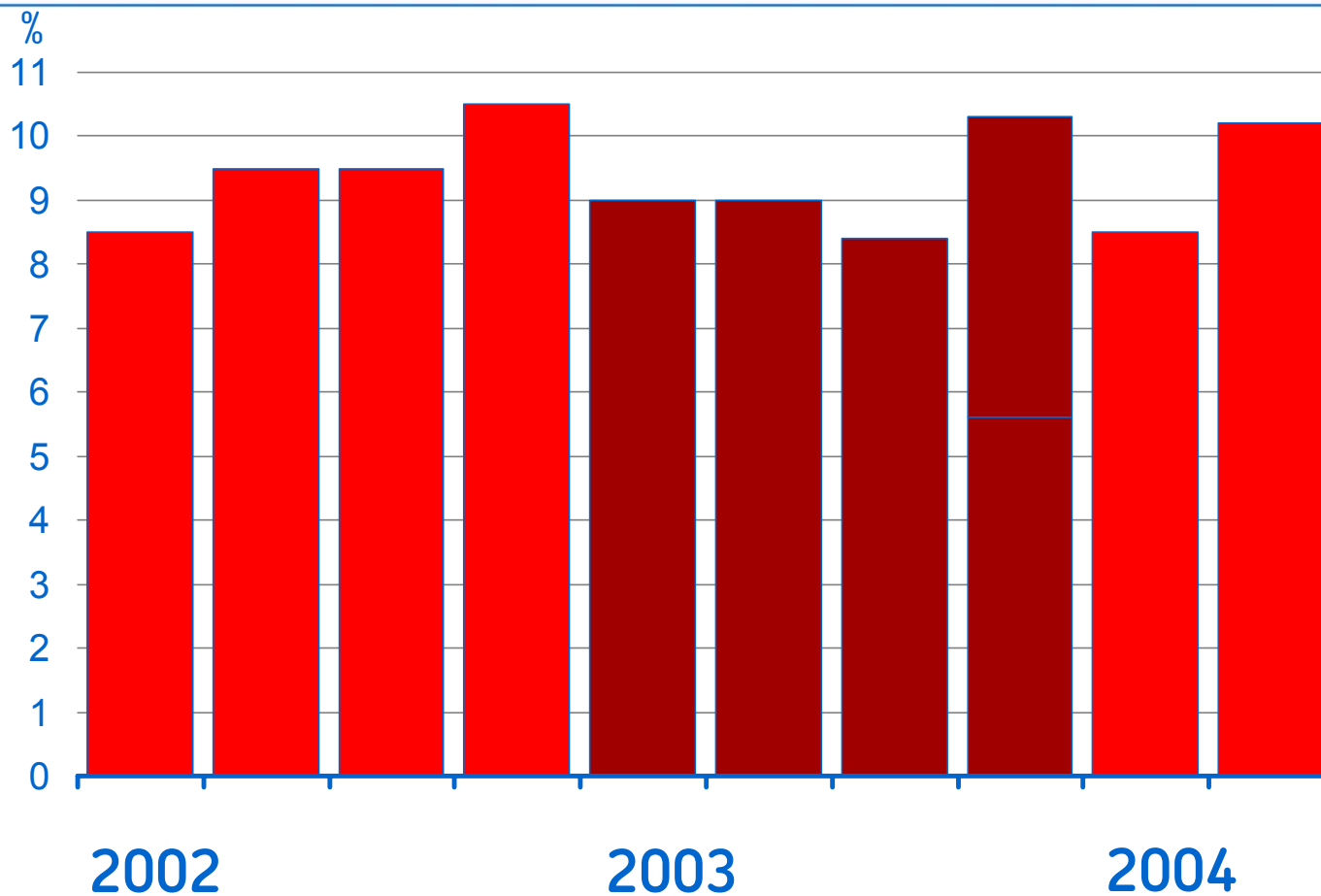
SKF Business in wind-turbines



SKF Engineering Platforms

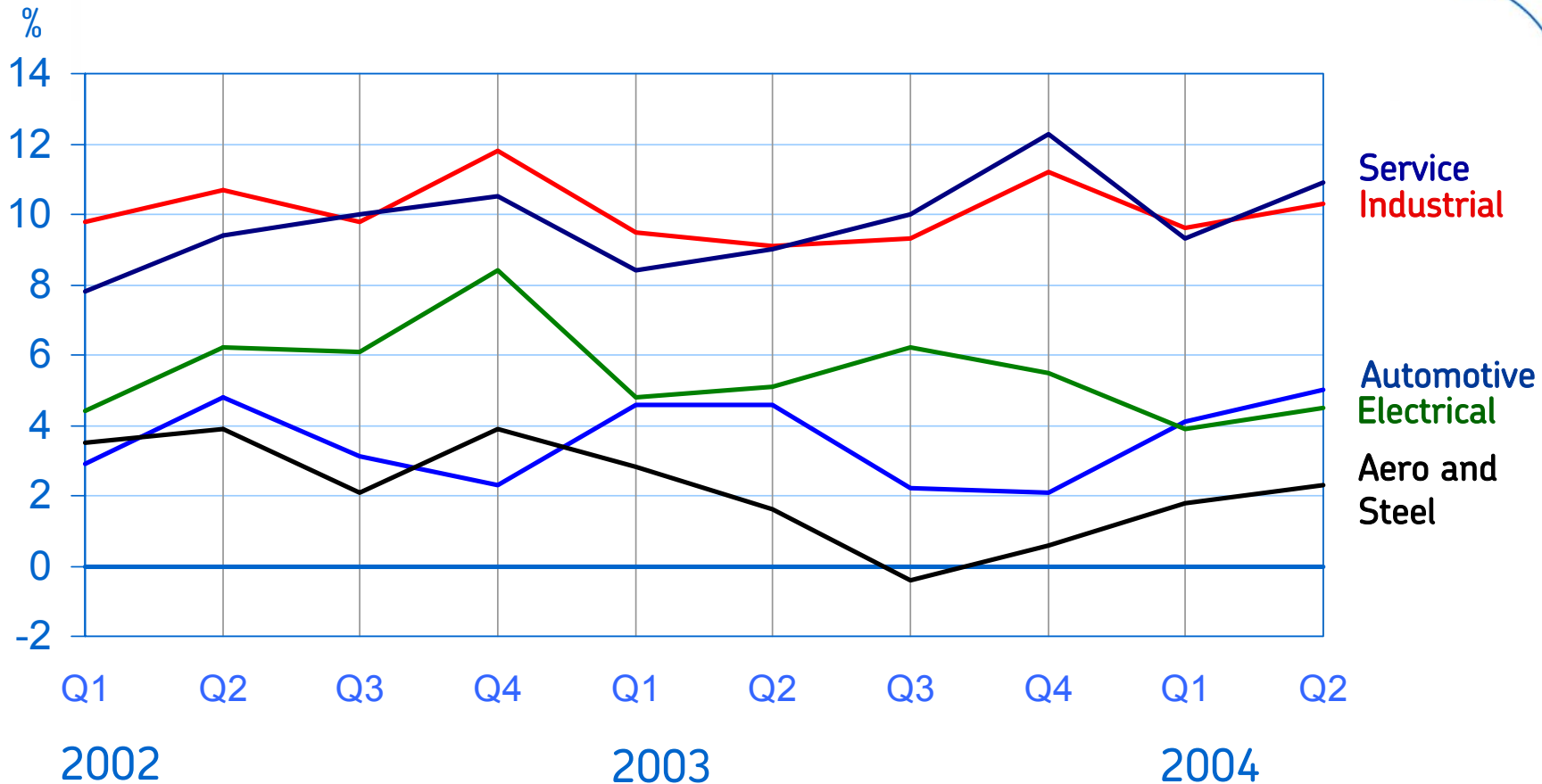


Operating margin*



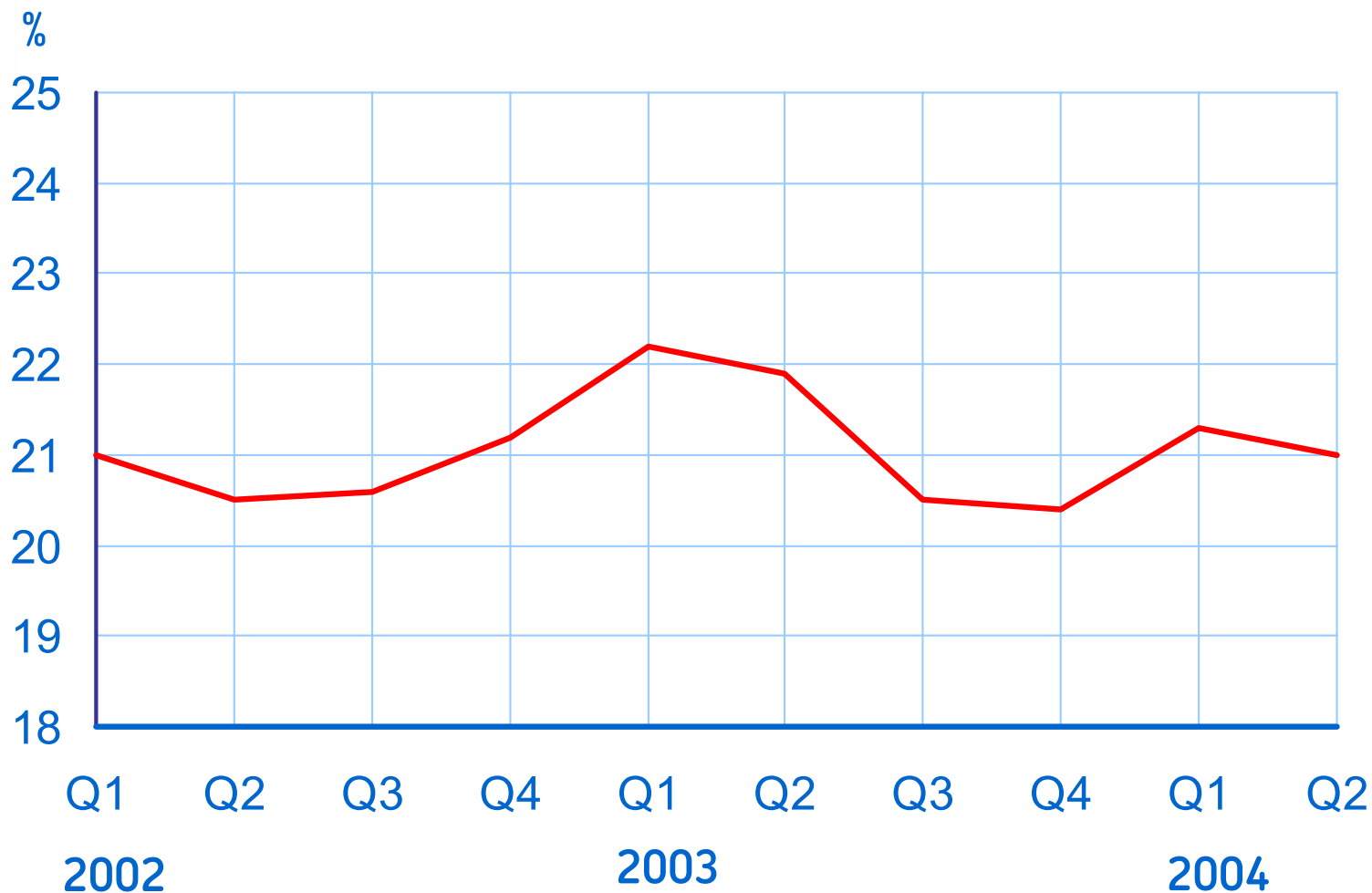
* excluding restructuring and impairment in Q4 2003

Operating margin per division*

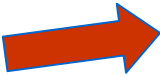
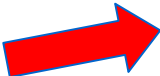










* excluding restructuring and impairment in Q4 2003








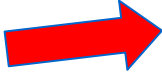


Inventories as % of annual sales - Target 20%



Volume trend

	Net sales 2003	April 2004	July 2004
Europe	57%		
North America	22%		
Asia Pacific	14%		
Latin America	4%		
Total			

Volume trend

	Net sales 2003	April 2004	July 2004
Industrial	23%		
Automotive	32%		
Electrical	4%		
Service	32%		
Aerospace	5%		

Outlook July, 2004

The market demand for SKF's products and services, seasonally lower in the third quarter compared to the second quarter, is expected to be higher in Europe and North America and significantly higher in Asia and Latin America.

The manufacturing level during the third quarter will be unchanged compared to the second quarter, while lower in absolute terms due to normal seasonality.

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 20-F report on file with the SEC (United States Securities and Exchange Commission) under "Forward-Looking Statements" and "Risk Factors".

Welcome to our financial website at www.skf.com > Investors

The image shows a screenshot of the SKF Investor Relations website. The top navigation bar includes links for Products, Solutions, Services, Library, and About SKF. A secondary bar below it lists News, Investors, Career, Students, and Group Sites. The main content area is divided into several sections:

- Welcome to the SKF site for the capital market:** A message from the SKF IR team stating that investors and analysts are welcome to contact them. It includes a link to "The SKF IR team" and a request for feedback: "We would like to know what you think of the way we are working at SKF Investor Relations. Give us your opinion".
- Latest report:** A link to a "2004-04-20 First-quarter report".
- Financial agenda:** A list of upcoming events, including a "2004-04-21 Ex-dividend date" and "2004-05-17 Capital Market Days, Shanghai".
- Acquisitions and divestments:** A table listing recent transactions. A red box highlights the "Investor Relations function" contact information.
- My SKF.com:** A registration and login section with fields for User ID and Password, and a "Login" button.
- Reports:** A section for financial reports, including a link to a "2002 - an easy-to-navigate report. No time-consuming downloading procedure!".

The bottom of the page features a large SKF logo.

Welcome to the SKF site for the capital market

The SKF IR team
Investors and analysts are welcome to contact us.

Latest report
2004-04-20 [First-quarter report](#)

Financial agenda
2004-04-21 Ex-dividend date
2004-05-17 Capital Market Days, Shanghai

[The SKF IR team](#)

We would like to know what you think of the way we are working at SKF Investor Relations. [Give us your opinion](#)

Acquisitions and divestments

A = Acquisition, D = Divestment, O = Other

Date	Type	Company	Press release
2003-05-05	A	Rolling Stock Supply & Service Pty Ltd	SKF acquires a railway bearing service company in Australia
2003-05-02	D	Veenendaal plant	SKF sold component manufacturing in the Netherlands to US based NN, Inc.
2003-04-22	A	Soandrive Control AB	SKF acquires leading specialist in servo gears for the printing industry
2003-01-10	A	Twentieth Century Machine Co., TCM	SKF acquires US linear motion company
2002-12-09	D	Veenendaal plant	SKF sell its component manufacturing operations in Veenendaal, Netherlands
2002-08-14	D	Ovako Ajax Inc.	SKF sold steel unit in the United States
2002-05-21	A	Delta Consult B.V.	SKF expands Reliability Systems.
2002-04-22	A	NSK Aerospace Europe Ltd.	SKF's acq...
2002-03-18	A	VMZ	
2002-02-15	A	Erin Engineering Research, Inc.	

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- The SKF Group
- The IR Team
- E-mail service
- **Agenda**
- **Reports**
- Presentations
- Financial statistics
- Accounting principles
- The share
- Annual General Meeting
- Acquisitions and divestments
- Noteworthy
- Analysts
- Links
- Selected information in Swedish



SKF