



SKF





**The SKF Group
First-quarter result 2004**

Tom Johnstone, President and CEO



SKF

Areas in focus 2004

Operating margin level

- Maintain a positive price/mix
- Implement restructuring plan

Continued sales growth

- Maintain organic growth pace
- Acquisitions

Cash flow in line with net profit

Launch Six Sigma throughout the SKF Group

Performance Q1

- price/mix 1.1%
- running according to plan

- 5.9% organic growth
- no acquisitions

- strong cash flow

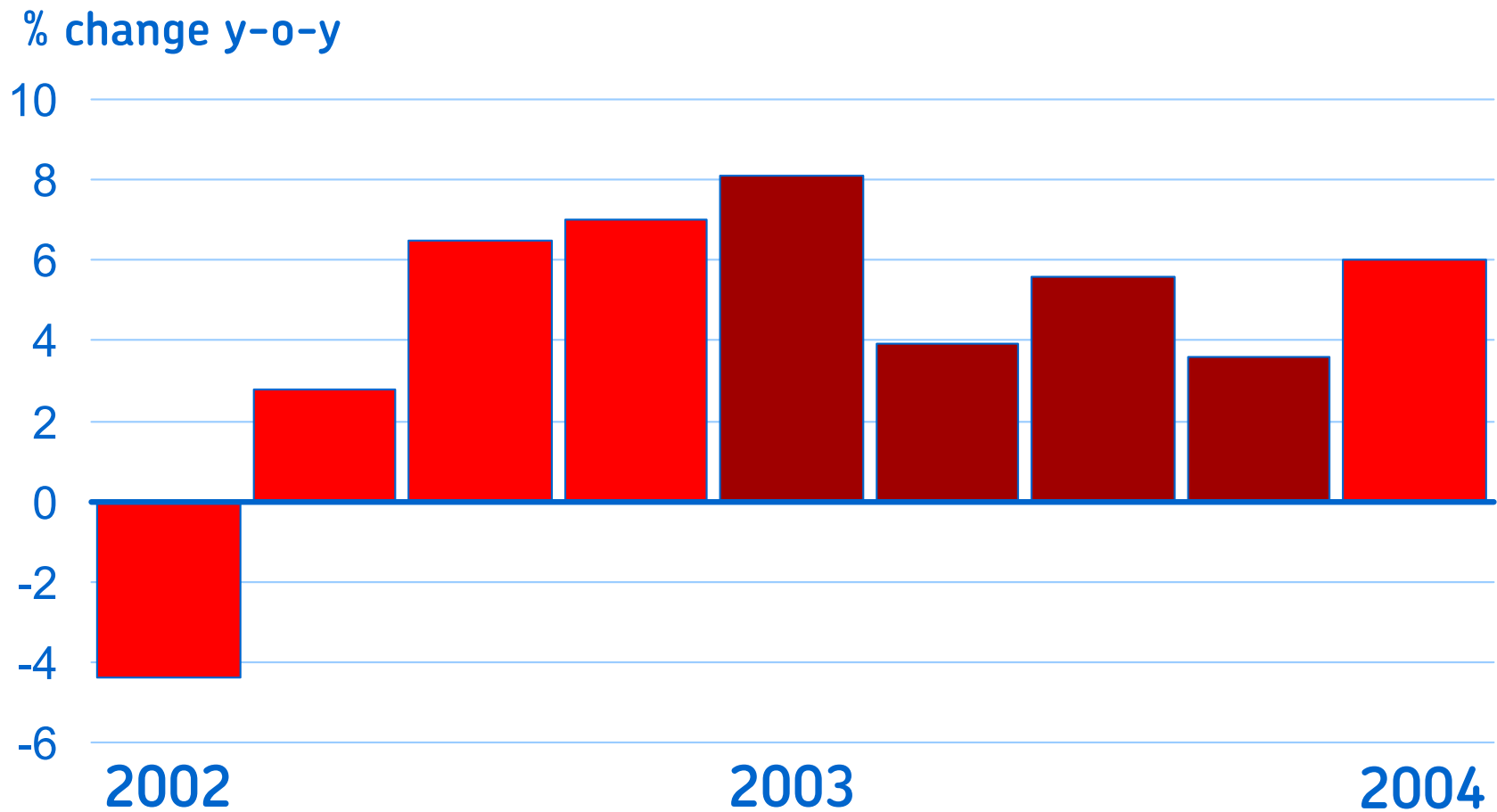
- organisation in place, training and projects started

First quarter 2004

MSEK	2004	2003
Net sales	10 689	10 541
Operating profit	907	944
Operating margin	8.5%	9.0%
Profit before taxes	819	802
Net profit	648	562
Earning per share, SEK	5.69	4.94
Cash flow*	501	47

* after investments before financing

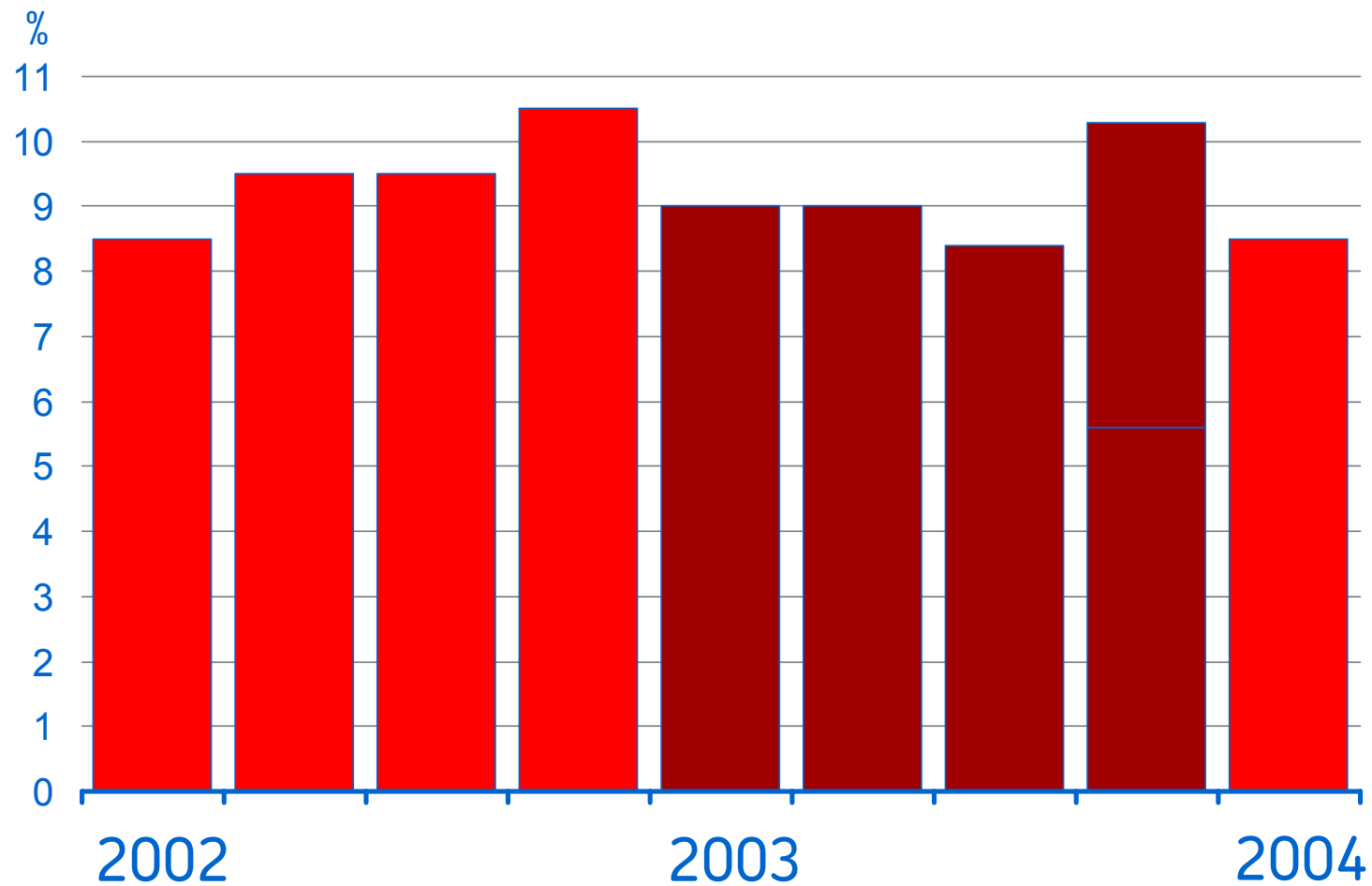
Sales in local currency



Net sales development per quarter

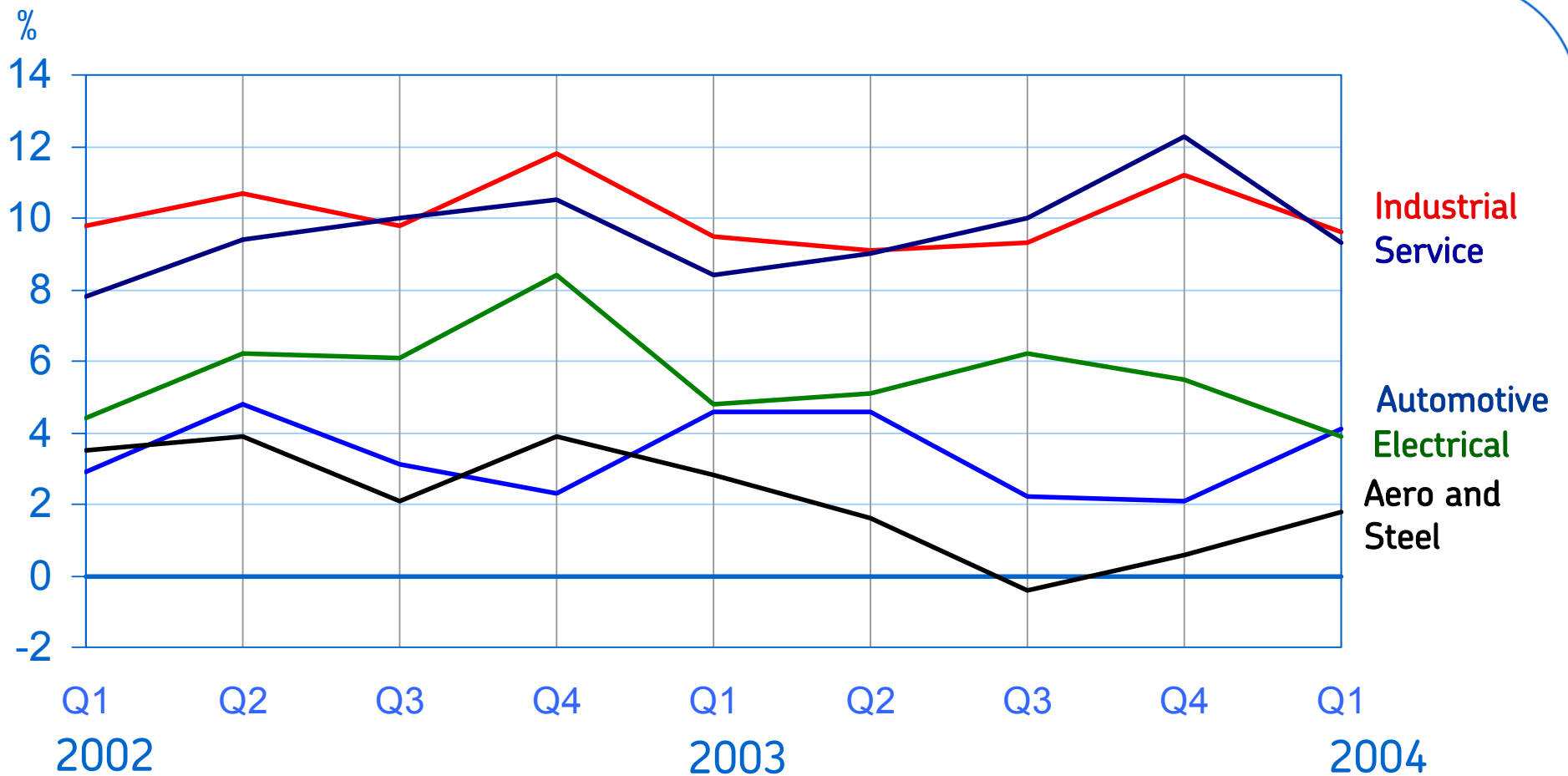
Percent y-o-y	2002				2003				2004
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Structure	1.4	1.9	2.0	1.4	0.7	0.1	0.2	0.3	0.1
Volume	- 7.3	-0.5	3.3	3.9	6.2	3.2	4.2	3.1	4.8
Price / Mix	1.5	1.4	1.2	1.7	1.2	0.6	1.2	0.1	1.1
Sales in local currency	- 4.4	2.8	6.5	7.0	8.1	3.9	5.6	3.5	6.0
Currency	2.2	-3.7	-8.3	-10.8	-9.3	-8.6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

Operating margin*



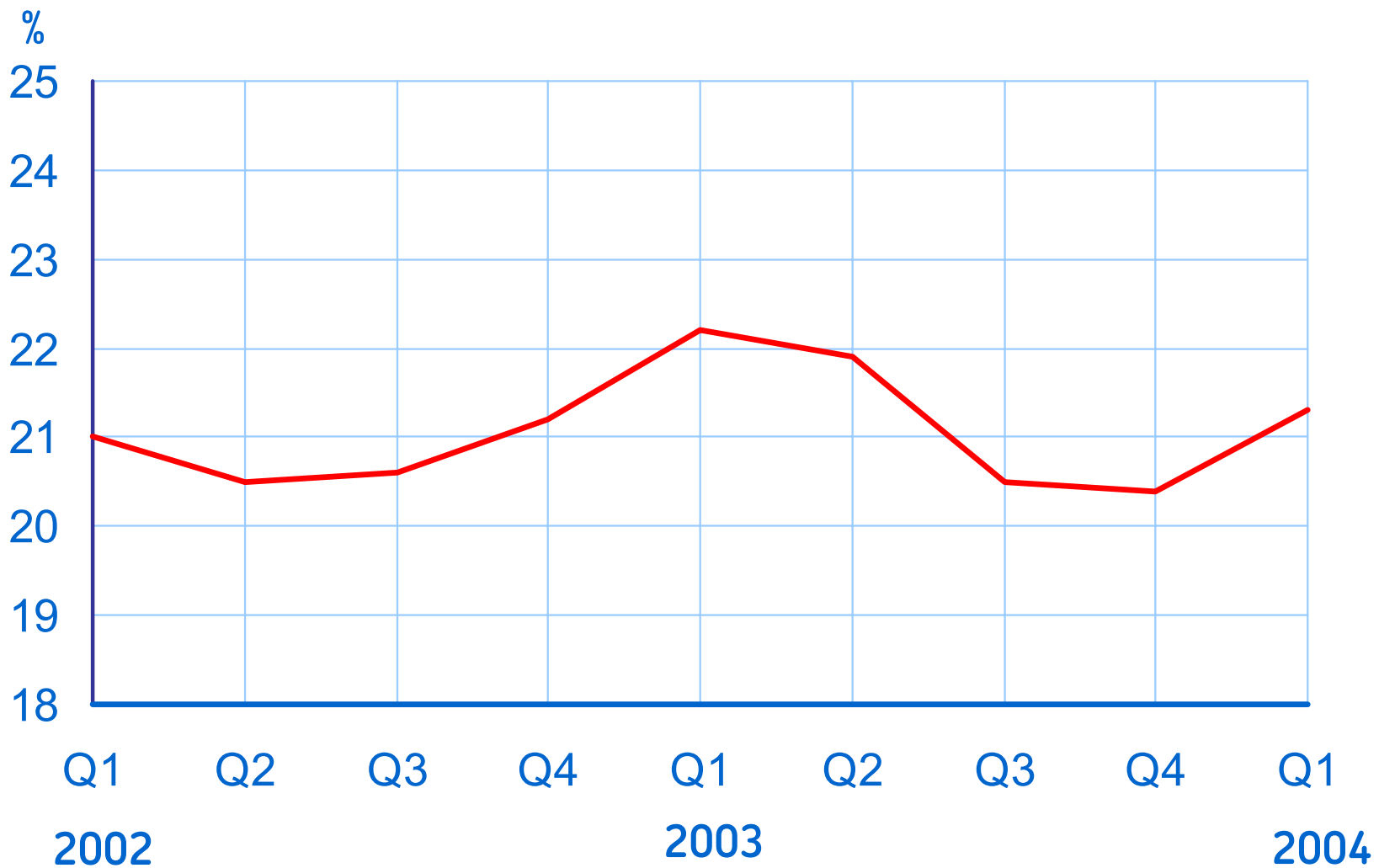
* excluding restructuring and impairment in Q4 2003

Operating margin per division*


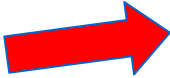





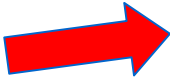




* excluding restructuring and impairment in Q4 2003











Inventories as % of annual sales - Target 20%



Volume trend

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

Volume trend

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

Outlook April, 2004

The market demand for the Group's products and services is expected to continue to strengthen during the second quarter 2004, compared to the first quarter this year.

In Europe demand is expected to be slightly higher and in North America higher. Demand is expected to continue to increase significantly both in Asia and Latin America.

Manufacturing will be maintained in the second quarter to meet the higher demand and to ensure a good service level.

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".