

## SKF Nine-month report 2009

Tom Johnstone, President and CEO:

*"Against the backdrop of significantly lower sales and manufacturing in the quarter the Group delivered a good result and once again a very strong cash flow. Restructuring and cost reduction efforts already launched combined with short-time working are providing good results. During the third quarter our sales and manufacturing were positively impacted by the good development of our automotive business driven primarily by the government incentives for the car industry. Our industrial business continued to weaken.*

*For the fourth quarter we see a slight sequential improvement in our business, but year on year it will still be significantly down. The possible negative impact of the ending of certain incentive programmes for the car industry is difficult to forecast and may affect demand during the quarter. Our efforts to further reduce costs in our operations are continuing."*

	Q3 2009	Q3 2008	YTD 2009	YTD 2008
Net sales, SEKm	13,324	15,381	42,340	47,054
Operating profit, SEKm	957	2,085	2,199	6,260
Operating margin, %	7.2	13.6	5.2	13.3
Operating margin excl. restructuring, %	8.7	13.6	7.3	13.3
Profit before taxes, SEKm	689	1,859	1,532	5,761
Net profit, SEKm	483	1,257	1,200	3,922
Basic earnings per share, SEK	1.01	2.67	2.56	8.39

The decrease of 13.4% in net sales for the quarter, in SEK, was attributable to: volume -24.9%, structure 1.2%, price/mix 3.7% and currency effects 6.6%.

For the first nine months, the decrease of 10.0%, in SEK, was attributable to: volume -27.6%, structure 1.3%, price/mix 5.5% and currency effects 10.8%.

The quarter included expenses for restructuring activities of around SEK 200 million, of which around SEK 175 million refer to programmes announced in the second quarter. For the nine months the expenses amount to around SEK 875 million. Non-cash items in the quarter were around SEK 70 million, for the nine months they were around SEK 135 million.

#### Outlook for the fourth quarter of 2009

##### Sales development compared to fourth quarter last year

The demand for SKF products and services is expected to be significantly lower for the Group in total and in Europe and North America. In Asia it is expected to be unchanged and in Latin America slightly higher. It is expected to be unchanged for the Automotive Division but significantly lower for the Industrial Division and Service Division.

##### Sales development compared to the third quarter this year

The demand is expected to be slightly higher for the SKF Group in total. It is expected to be relatively unchanged in Europe and North America and slightly higher in Asia and Latin America. It is expected to be relatively unchanged for the Automotive Division and slightly higher for both the Service Division and the Industrial Division.

##### Manufacturing level

The manufacturing level will be significantly lower year on year and slightly higher compared to the third quarter.

## Financial

	30 September	30 June	30 September
Key figures	2009	2009	2008
Inventories, % of annual sales	20.6	22.9	21.9
ROCE for the 12-month period, % *	10.2	13.4	26.6
ROE for the 12-month period, % *	10.5	14.7	28.4
Equity/assets ratio, % *	33.5	34.6	33.7
Gearing, % *	52.9	51.1	49.2
Net debt/equity, % *	78.9	80.4	81.3
Registered number of employees on 30 September	41,756	42,422	45,035

\* 2008 has been restated for change in accounting principle IAS 19 "Employee benefits".

Cash flow, after investments and before financing, was SEK 1,359 million (-526) for the third quarter and SEK 4,307 million (215) for the first nine month 2009. The cash flow includes payments for acquisitions and non-controlling interests of SEK 16 million for the quarter and SEK 239 million for the first nine months.

Inventories versus Q2 2009, in local currencies, were reduced by around SEK 900 million.

The financial net in the third quarter of 2009 was SEK -268 million (-226). The financial net was negatively affected by exchange losses from the valuation of contracts and other financial items. The financial net for the first nine months was SEK -667 million (-499), which includes the revaluation of share swaps amounting to SEK -5 million (-10).

Exchange rates, including the effects of translation and transaction flows, had a positive effect on SKF's operating profit of around SEK 250 million in the third quarter and around SEK 750 million for the first nine months. Based on current assumptions and exchange rates it is estimated that there will be a limited effect on the fourth quarter.

### Third quarter development

Sales in local currencies were significantly lower for the Group, compared to last year. They were significantly lower in Europe and North America, lower in Asia, slightly lower in Latin America and relatively unchanged in Middle East and Africa.

The manufacturing level was lower than sales for the Group resulting in a further reduction in the inventories.

SKF inaugurated its additional investment in the Dalian factory, China, which brings the total investment up to SEK 1.1 billion and doubles the manufacturing capacity when fully implemented.

In September SKF launched eleven new solutions, covering all five platforms, to help customers increase equipment reliability, reduce maintenance costs and the environmental impact. The solutions include actuators for off-highway equipment, oil condition unit for mining & cement and pulp & paper industries, sealing solutions for mining & mineral processing industries, and an extended range of sealed spherical roller bearings. A service programme for certified pumps rebuilder was also launched.

SKF signed a Memorandum of Understanding for strategic partnership with Sinovel Wind Co. Ltd., which will cover supply chain service system optimization, staff training and development, engineering development and design as well as resources management. In connection to this, a series of contracts with a value exceeding SEK 330 million were signed for main shaft bearings and sealing systems for 3MW wind turbines.

SKF signed a service contract with Transocean that is worth SEK 10 million and covers asset reliability services for 59 of Transocean's drilling rigs located in the North Sea, the Mediterranean and the Caspian Seas as well as outside the West Coast of Africa.

SKF was selected for the third time to be the sector leader for the IEQ Industrial Engineering sector in the 2009 Dow Jones Sustainability Indexes (DJSI). SKF has been included in the index since it started in 2000. SKF was also included in the FTSE4Good Index Series for the ninth year in succession.

### **Restructuring**

Since the third quarter of 2008, about 4,400 people have left the Group, of which 2,500 people were part of previous restructuring programmes and 1,900 left as a result of other actions taken.

Savings relating to restructuring activities and the reduction of people, which started in the third quarter 2008 will result in an estimated annualized savings of around SEK 800 million from mid 2010 when fully implemented.

Around 14,000 people are on short-time working both in government supported schemes and in agreements directly between SKF and its workforce.

### **Industrial Division**

The operating profit for the third quarter amounted to SEK 339 million (1,021), resulting in an operating margin of 5.3% (12.6) on sales including intra-Group sales. The quarter included expenses for restructuring activities of around SEK 35 million (0). The operating profit for the first nine months amounted to SEK 1,313 million (3,042), resulting in an operating margin of 6.1% (12.3) on sales including intra-Group sales. The first nine months included expenses for restructuring activities of around SEK 105 million (0). Sales including intra-Group sales for the quarter were SEK 6,449 million (8,114), and for the first nine months SEK 21,658 million (24,790).

Net sales for the third quarter amounted to SEK 4,315 million (5,500) and for the first nine months SEK 14,853 million (16,711). The decrease of 21.5% for the quarter was attributable to: organic growth -28.6%, structure 0.1%, and currency effects 7.0%. For the first nine months the decrease of 11.1% was attributable to: organic growth -22.9%, structure -0.1%, and currency effects 11.9%.

Sales in local currency for the third quarter were significantly lower in all regions. The decline in sales to the aerospace industry accelerated during the quarter. Sales to the heavy industry such as pulp and paper, steel, mining and metalworking declined further. Sales to general industry and energy have stabilized and sales to the passenger railway industry continued to develop well.

**Service Division**

The operating profit for the third quarter amounted to SEK 629 million (823), resulting in an operating margin of 13.2% (15.0). The quarter included expenses for restructuring activities of around SEK 10 million (0). The operating profit for the first nine months amounted to SEK 1,871 million (2,281), resulting in an operating margin of 12.4% (14.1). The first nine months included expenses for restructuring activities of around SEK 20 million (0). Sales including intra-Group sales for the quarter were SEK 4,779 million (5,501), and for the first nine months SEK 15,032 million (16,226).

Net sales for the third quarter amounted to SEK 4,701 million (5,393) and for the first nine months SEK 14,763 million (15,909). The decrease of 12.8% for the quarter was attributable to: organic growth -18.5%, structure 0%, and currency effects 5.7%. For the first nine months the decrease of 7.2% was attributable to: organic growth -17.2%, structure 0%, and currency effects 10%.

Sales in local currencies for the third quarter were significantly lower in Europe, Asia and North America. In Latin America they were lower.

**Automotive Division**

The operating profit for the third quarter amounted to SEK 20 million (306), resulting in an operating margin of 0.4% (5.7). The quarter included expenses for restructuring activities of around SEK 150 million (0). The operating result for the first nine months amounted to SEK -892 million (1,090), resulting in an operating margin of -6.2% (6.4). The first nine months included expenses for restructuring activities of around SEK 745 million (0). Sales including intra-Group sales for the quarter were SEK 4,831 million (5,342), and for the first nine months SEK 14,358 million (17,151).

Net sales for the third quarter amounted to SEK 4,068 million (4,371) and for the first nine months SEK 11,941 million (14,107). The decrease of 6.9% for the quarter was attributable to: organic growth -14.0%, structure 0.4%, and currency effects 6.7%. For the first nine months the decrease of 15.4% was attributable to: organic growth -25.6%, structure 0.5%, and currency effects 9.7%.

Sales in local currencies for the third quarter were significantly lower to the car, the light truck and the heavy truck industries in Europe and North America, but significantly higher in Asia. Sales to the electrical industry in Europe were significantly lower. Sales to the two-wheeler industry were relatively unchanged in Asia. Sales to the vehicle service market were relatively unchanged as a whole with slightly higher sales in Europe and relatively unchanged sales in North America.

**Previous outlook statement**Outlook for the third quarter of 2009

Compared to last year the demand for SKF products and services is expected to be significantly lower in the third quarter compared to the third quarter last year for the Group in total, for all the Divisions and for all regions.

Compared to the second quarter and adjusted for seasonality, demand is expected to be relatively unchanged for the SKF Group in total. It is expected to be lower in Europe, relatively unchanged in North America and slightly higher in Asia and Latin America. It is

expected to be slightly higher for the Automotive Division, relatively unchanged for the Service Division and slightly lower for the Industrial Division.

The manufacturing level will be significantly lower year on year and relatively unchanged compared to the second quarter.

#### **Highlights in the previous quarter**

SKF

- gained a contract for the supply of tapered roller bearings to Guangdong Fuwa Engineering Manufacturing Co Ltd. The contract is valid for three years and is worth up to USD 4.5 million per year.
- gained an order for axleboxes and drive system bearings to CSR Zhuzhou Electric Locomotive Co., Ltd. ZELC. The order value is EUR 14 million.
- inaugurated a new SKF Solution Factory in Turin, Italy.
- signed a contract with Cambridge University Department of Materials Science and Metallurgy to set up the SKF University Technology Centre on Steels on campus in Cambridge.
- won an order to supply Guohua Energy Investment Co. Ltd, located in Beijing, China, with SKF WindCon online condition monitoring systems and other related services.
- signed a long-term contract for the supply of bearings to one of the world's largest motorbikes manufacturers, Hero Honda of India.
- acquired the remaining 49% of the shares in Macrotech Polyseal Inc, now named SKF Polyseal Inc., based in Salt Lake City, Utah, USA, following the earlier acquisition of 51% in April 2006.
- made in cooperation with the Czech police authorities a raid and confiscated over 30 tons of counterfeit SKF bearings.
- repurchased EUR 118 million of the EUR 250 million bond loan which was due 2010.

#### **Risks and uncertainties in the business**

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, could have a negative effect on the demand for the Group's products and services.

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](http://www.skf.com)) under the Administration Report; "Most important factors influencing the financial results", "Financial risks" and "Sensitivity analysis", and in this quarterly report under "Risks and uncertainties in the business."*

Göteborg, 19 October 2009  
Aktiebolaget SKF  
(publ.)

Tom Johnstone  
President and CEO

**Presentation**

On SKF's website <http://investors.skf.com/> (click on Presentations).

**Teleconference**

On 20 October at 09.00 (CEST), 08.00 (UK):

+46 (0)8 5052 0114 Swedish participants

+44 (0)20 7162 0177 European participants

+1 334 323 6203 US participants

Please note that the use of a loudspeaker when taking part in the teleconference has a negative influence on the quality of the sound, which affects all participants.

It is also possible just to listen to the teleconference on <http://investors.skf.com/>

AB SKF may be required to disclose the information provided herein according to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 (CEST) on 20 October 2009.

Enclosures:

Financial statements

1. Consolidated income statements
2. Consolidated statements of comprehensive income and consolidated statements of changes in shareholders' equity
3. Consolidated balance sheets
4. Consolidated statements of cash flow

Other financial statements

5. Consolidated financial information - yearly and quarterly comparisons
6. Segment information - yearly and quarterly comparisons
7. Parent company income statements, balance sheets and footnotes.

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 2008 including Sustainability Report, except as described in the first-quarter report 2009 and half-year report 2009.

The consolidated quarterly report has been prepared in accordance with IAS34. The report for the parent company has been prepared in accordance with the Annual Accounts Act and RFR 2.2. The report has not been reviewed by the company's auditors.

The SKF Year-end report 2009 will be published on Thursday, 28 January 2010.  
The Annual General Meeting will be held on Thursday, 29 April 2010 in Göteborg, Sweden.

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Enclosure 1

**CONSOLIDATED INCOME STATEMENTS (SEKm)**

	<b>July-Sept 2009</b>	July-Sept 2008	<b>Jan-Sept 2009</b>	Jan-Sept 2008
Net sales	<b>13,324</b>	15,381	<b>42,340</b>	47,054
Cost of goods sold	<b>-10,475</b>	-11,420	<b>-33,975</b>	-34,806
<b>Gross profit</b>	<b>2,849</b>	3,961	<b>8,365</b>	12,248
Selling and administrative expenses	<b>-1,851</b>	-1,914	<b>-6,077</b>	-6,020
Other operating income/expenses - net	<b>-37</b>	37	<b>-76</b>	31
Profit/loss from jointly controlled and associated companies	<b>-4</b>	1	<b>-13</b>	1
<b>Operating profit</b>	<b>957</b>	2,085	<b>2,199</b>	6,260
Operating margin, %	<b>7.2</b>	13.6	<b>5.2</b>	13.3
Financial income and expense - net	<b>-268</b>	-226	<b>-667</b>	-499
<b>Profit before taxes</b>	<b>689</b>	1,859	<b>1,532</b>	5,761
Taxes	<b>-206</b>	-602	<b>-332</b>	-1,839
<b>Net profit</b>	<b>483</b>	1,257	<b>1,200</b>	3,922
<b>Net profit attributable to</b>				
Shareholders of the parent	<b>462</b>	1,217	<b>1,166</b>	3,819
Non-controlling interests	<b>21</b>	40	<b>34</b>	103
Basic earnings per share, SEK*	<b>1.01</b>	2.67	<b>2.56</b>	8.39
Diluted earnings per share, SEK*	<b>1.01</b>	2.67	<b>2.56</b>	8.38
Additions to property, plant and equipment	<b>534</b>	696	<b>1,470</b>	1,818
Number of employees registered	<b>41,756</b>	45,035	<b>41,756</b>	45,035
Return on capital employed for the 12-month period ended 30 September, %**	<b>10.2</b>	26.6	<b>10.2</b>	26.6

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

\*\* 2008 has been restated for change in accounting principle IAS 19 "Employee benefits".

**NUMBER OF SHARES**

Total number of shares	<b>455,351,068</b>	455,351,068	<b>455,351,068</b>	455,351,068
- whereof A shares	<b>45,521,004</b>	48,246,034	<b>45,521,004</b>	48,246,034
- whereof B shares	<b>409,830,064</b>	407,105,034	<b>409,830,064</b>	407,105,034
Total number of diluted shares outstanding	<b>455,351,068</b>	455,773,840	<b>455,351,068</b>	455,773,840
Total weighted average number of diluted shares	<b>455,351,068</b>	455,796,541	<b>455,370,359</b>	455,894,943



## Enclosure 2

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (SEKm)**

	<b>July-Sept 2009</b>	July-Sept 2008	<b>Jan-Sept 2009</b>	Jan-Sept 2008
<b>Net profit</b>	<b>483</b>	1,257	<b>1,200</b>	3,922
<b>Other comprehensive income</b>				
Exchange differences arising on translation of foreign operations	<b>-1,404</b>	1,025	<b>-1,254</b>	387
Available-for-sale assets	<b>-47</b>	-5	<b>55</b>	-225
Cash flow hedges	<b>63</b>	-111	<b>223</b>	-44
Actuarial gains and losses	<b>-756</b>	-742	<b>-813</b>	-1,674
Income tax relating to components of other comprehensive income	<b>150</b>	330	<b>97</b>	618
<b>Other comprehensive income, net of tax</b>	<b>-1,994</b>	497	<b>-1,692</b>	-938
<b>Total comprehensive income</b>	<b>-1,511</b>	1,754	<b>-492</b>	2,984
<b>Total comprehensive income attributable to</b>				
Shareholders of AB SKF	<b>-1,462</b>	1,647	<b>-457</b>	2,899
Non-controlling interests	<b>-49</b>	107	<b>-35</b>	85

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (SEKm)**

	<b>September 2009</b>	September 2008
Opening balance 1 January	<b>19,689</b>	18,355
Change in accounting principles	-	654
Total comprehensive income	<b>-492</b>	2,984
Exercise of options and cost for share programmes, net	<b>-6</b>	2
Other, including transactions with non-controlling interests	<b>-205</b>	35
Redemption of shares	-	-2,277
Total cash dividends	<b>-1,628</b>	-2,327
<b>Closing balance</b>	<b>17,358</b>	17,426

Enclosure 3

**CONSOLIDATED BALANCE SHEETS\* (SEKm)**

	<b>September 2009</b>	<b>December 2008</b>
Goodwill	<b>2,697</b>	3,119
Other intangible assets	<b>1,280</b>	1,535
Property, plant and equipment	<b>13,656</b>	14,556
Deferred tax assets	<b>1,633</b>	1,342
Other non-current assets	<b>1,379</b>	1,366
<b>Non-current assets</b>	<b>20,645</b>	21,918
Inventories	<b>12,076</b>	15,204
Trade receivables	<b>9,260</b>	11,041
Other current assets	<b>3,388</b>	3,310
Other current financial assets	<b>6,521</b>	4,627
<b>Current assets</b>	<b>31,245</b>	34,182
<b>TOTAL ASSETS</b>	<b>51,890</b>	56,100
<b>Equity attributable to shareholders of AB SKF</b>	<b>16,551</b>	18,750
<b>Equity attributable to non-controlling interests</b>	<b>807</b>	939
Long-term financial liabilities	<b>10,915</b>	12,809
Provisions for post-employment benefits	<b>6,831</b>	6,356
Provisions for deferred taxes	<b>945</b>	1,210
Other long-term liabilities and provisions	<b>1,632</b>	1,738
<b>Non-current liabilities</b>	<b>20,323</b>	22,113
Trade payables	<b>3,658</b>	4,841
Short-term financial liabilities	<b>1,961</b>	899
Other short-term liabilities and provisions	<b>8,590</b>	8,558
<b>Current liabilities</b>	<b>14,209</b>	14,298
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>51,890</b>	56,100

\* 2008 has been restated for change in accounting principle IAS 19 "Employee benefits".

Enclosure 4

**CONSOLIDATED STATEMENTS OF CASH FLOW\*** (SEKm)

	<b>July-Sept 2009</b>	July-Sept 2008	<b>Jan-Sept 2009</b>	Jan-Sept 2008
<b>Operating activities:</b>				
Operating profit	<b>957</b>	2,085	<b>2,199</b>	6,260
Depreciation, amortization and impairment	<b>591</b>	454	<b>1,668</b>	1,328
Net loss/gain (-) on sales of intangible assets, PPE, equity securities, businesses and assets held for sale	<b>5</b>	-8	<b>14</b>	-56
Taxes	<b>-281</b>	-706	<b>-841</b>	-2,046
Other including financial and non-cash items	<b>-341</b>	-44	<b>384</b>	-248
Changes in working capital	<b>992</b>	-626	<b>2,609</b>	-2,283
<b>Net cash flow from operations</b>	<b>1,923</b>	1,155	<b>6,033</b>	2,955
<b>Investing activities:</b>				
Investments in intangible assets, PPE, businesses and equity securities	<b>-565</b>	-1,757	<b>-1,739</b>	-2,958
Sales of intangible assets, PPE, businesses, assets held for sale, equity securities and pre-liquidation proceeds	<b>1</b>	76	<b>13</b>	218
<b>Net cash flow used in investing activities</b>	<b>-564</b>	-1,681	<b>-1,726</b>	-2,740
<b>Net cash flow after investments before financing</b>	<b>1,359</b>	-526	<b>4,307</b>	215
<b>Financing activities:</b>				
Change in short- and long-term loans	<b>18</b>	362	<b>30</b>	3,605
Payment of finance lease liabilities	<b>-7</b>	1	<b>-6</b>	15
Redemption	-	-	-	-2,277
Cash dividends	-	-1	<b>-1,628</b>	-2,327
Investments in short-term financial assets	<b>-1,156</b>	-75	<b>-2,662</b>	-282
Sales of short-term financial assets	<b>792</b>	127	<b>1,020</b>	687
<b>Net cash flow used in financing activities</b>	<b>-353</b>	414	<b>-3,246</b>	-579
<b>NET CASH FLOW</b>	<b>1,006</b>	-112	<b>1,061</b>	-364
<b>Change in cash and cash equivalents:</b>				
Cash and cash equivalents at 1 July/1 January	<b>2,852</b>	2,621	<b>2,793</b>	2,946
Cash effect excl. acquired businesses	<b>1,006</b>	-112	<b>1,061</b>	-364
Cash effect of acquired businesses	<b>0</b>	0	<b>0</b>	0
Exchange rate effect	<b>-97</b>	148	<b>-93</b>	75
<b>Cash and cash equivalents at 30 September</b>	<b>3,761</b>	2,657	<b>3,761</b>	2,657

<b>Change in net interest-bearing liabilities</b>	<b>Opening balance 1 Jan 2009</b>	<b>Translation effect</b>	<b>Cash change</b>	<b>Businesses acquired/sold</b>	<b>Other non cash changes</b>	<b>Closing balance 30 Sept 2009</b>
Loans, long- and short-term	13,447	-798	30	-	-9	12,670
Post-employment benefits, net	6,323	-483	-352	-	1,316	6,804
Financial assets, others	-1,168	67	-1,642	-	0	-2,743
Cash and cash equivalents	-2,793	93	-1,061	-	0	-3,761
<b>Net interest-bearing liabilities</b>	<b>15,809</b>	<b>-1,121</b>	<b>-3,025</b>	<b>-</b>	<b>1,307</b>	<b>12,970</b>

\* Certain reclassifications have been made to the statements of cash flow. The starting point is now operating profit rather than profit before tax. In addition, investments in and sales of short-term financial assets, being part of the Group overall financing program, are classified as financing rather than investing activities. These reclassifications have had no effect on net cash flow. 2008 has been restated accordingly.

Enclosure 5

**CONSOLIDATED FINANCIAL INFORMATION - YEARLY AND QUARTERLY COMPARISONS**  
 (SEKm unless otherwise stated)

	<u>1/08</u>	<u>2/08</u>	<u>3/08</u>	<u>4/08</u>	<u>Full year 2008</u>	<u>1/09</u>	<u>2/09</u>	<u>3/09</u>	<u>Year to date 2009</u>
Net sales	15,596	16,077	15,381	16,307	63,361	14,849	14,167	13,324	42,340
Cost of goods sold	-11,526	-11,860	-11,420	-12,269	-47,075	-11,844	-11,656	-10,475	-33,975
<b>Gross profit</b>	<b>4,070</b>	<b>4,217</b>	<b>3,961</b>	<b>4,038</b>	<b>16,286</b>	<b>3,005</b>	<b>2,511</b>	<b>2,849</b>	<b>8,365</b>
Gross margin, %	26.1	26.2	25.8	24.8	25.7	20.2	17.7	21.4	19.8
Selling and administrative expenses	-1,983	-2,123	-1,914	-2,523	-8,543	-2,219	-2,007	-1,851	-6,077
Other operating income/ expenses - net	-44	38	37	-65	-34	-14	-25	-37	-76
Profit/loss from jointly controlled and associated companies	-3	3	1	-	1	-4	-5	-4	-13
<b>Operating profit</b>	<b>2,040</b>	<b>2,135</b>	<b>2,085</b>	<b>1,450</b>	<b>7,710</b>	<b>768</b>	<b>474</b>	<b>957</b>	<b>2,199</b>
Operating margin, %	13.1	13.3	13.6	8.9	12.2	5.2	3.4	7.2	5.2
Financial income and expense - net	-116	-157	-226	-343	-842	-237	-162	-268	-667
<b>Profit before taxes</b>	<b>1,924</b>	<b>1,978</b>	<b>1,859</b>	<b>1,107</b>	<b>6,868</b>	<b>531</b>	<b>312</b>	<b>689</b>	<b>1,532</b>
Profit margin before taxes, %	12.3	12.3	12.1	6.8	10.8	3.6	2.2	5.2	3.6
Taxes	-628	-609	-602	-288	-2,127	-137	11	-206	-332
<b>Net profit</b>	<b>1,296</b>	<b>1,369</b>	<b>1,257</b>	<b>819</b>	<b>4,741</b>	<b>394</b>	<b>323</b>	<b>483</b>	<b>1,200</b>
<b>Net profit attributable to</b>									
Shareholders of the parent	1,261	1,341	1,217	797	4,616	390	314	462	1,166
Non-controlling interests	35	28	40	22	125	4	9	21	34
Basic earnings per share, SEK*	2.77	2.95	2.67	1.75	10.14	0.86	0.69	1.01	2.56
Diluted earnings per share, SEK*	2.77	2.94	2.67	1.75	10.13	0.86	0.69	1.01	2.56
Dividend per share, SEK	-	5.00	-	-	5.00	-	3.50	-	3.50
Return on capital employed for the 12-month period, %***	26.2	26.6	26.6	24.0	24.0	18.7	13.4	10.2	10.2
Gearing, %** ***	38.2	49.0	49.2	50.1	50.1	50.1	51.1	52.9	52.9
Equity/assets ratio, %***	39.8	32.3	33.7	35.1	35.1	35.9	34.6	33.5	33.5
Net worth per share, SEK* ***	40	33	36	41	41	43	40	36	36
Additions to property, plant and equipment	538	584	696	713	2,531	494	442	534	1,470
Registered number of employees	42,944	43,158	45,035	44,799	44,799	43,653	42,422	41,756	41,756

\* 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.

\*\*\* 2008 has been restated for change in accounting principle IAS 19 "Employee benefits".

Enclosure 6

**SEGMENT INFORMATION - YEARLY AND QUARTERLY COMPARISONS**

(SEKm unless otherwise stated)

	<u>1/08</u>	<u>2/08</u>	<u>3/08</u>	<u>4/08</u>	Full year 2008	<u>1/09</u>	<u>2/09</u>	<u>3/09</u>	Year to date 2009
<b>Industrial Division</b>									
Net sales	5,535	5,676	5,500	6,151	22,862	5,752	4,786	4,315	14,853
Sales incl. intra-Group sales	8,256	8,420	8,114	8,940	33,730	8,138	7,071	6,449	21,658
Operating profit	1,026	995	1,021	1,001	4,043	623	351	339	1,313
Operating margin*	12.4%	11.8%	12.6%	11.2%	12.0%	7.7%	5.0%	5.3%	6.1%
Operating margin excl. restructuring*	12.4%	11.8%	12.6%	12.1%	12.2%	7.9%	5.6%	5.8%	6.5%
Assets and liabilities, net	14,351	14,809	15,959	18,098	18,098	18,725	17,416	15,934	15,934
Registered number of employees	18,765	18,890	19,195	19,166	19,166	18,766	18,380	17,844	17,844
<b>Service Division</b>									
Net sales	5,099	5,417	5,393	5,998	21,907	5,060	5,002	4,701	14,763
Sales incl. intra-Group sales	5,210	5,515	5,501	6,092	22,318	5,167	5,086	4,779	15,032
Operating profit	685	773	823	1,045	3,326	601	641	629	1,871
Operating margin*	13.1%	14.0%	15.0%	17.2%	14.9%	11.6%	12.6%	13.2%	12.4%
Operating margin excl. restructuring*	13.1%	14.0%	15.0%	17.2%	14.9%	11.6%	12.8%	13.4%	12.6%
Assets and liabilities, net	5,149	5,435	5,521	5,668	5,668	5,471	5,335	4,734	4,734
Registered number of employees	5,655	5,817	5,906	6,018	6,018	5,941	5,824	5,762	5,762
<b>Automotive Division</b>									
Net sales	4,864	4,872	4,371	3,779	17,886	3,747	4,126	4,068	11,941
Sales incl. intra-Group sales	5,889	5,920	5,342	4,699	21,850	4,601	4,926	4,831	14,358
Operating profit	381	403	306	-544	546	-441	-471	20	-892
Operating margin*	6.5%	6.8%	5.7%	-11.6%	2.5%	-9.6%	-9.6%	0.4%	-6.2%
Operating margin excl. restructuring*	6.5%	6.8%	5.7%	-6.3%	3.6%	-6.2%	-0.7%	3.5%	-1.0%
Assets and liabilities, net	8,791	9,060	9,911	10,070	10,070	10,426	9,195	8,229	8,229
Registered number of employees	15,828	15,737	15,713	15,256	15,256	14,612	14,024	14,047	14,047

Previously published amounts have been restated to conform to the current Group structure in 2009. The structural changes include business units being moved between the divisions and between other operations and divisions.

\* Operating margin is calculated on sales including intra-Group sales.

**Reconciliation to profit before tax for the Group**

	Jan-Sept 2009	Jan-Sept 2008
Operating profit:		
Industrial Division	<b>1,313</b>	3,042
Service Division	<b>1,871</b>	2,281
Automotive Division	<b>-892</b>	1,090
Other operations outside the divisions	<b>115</b>	68
Unallocated Group activities and adjustments, net	<b>-208</b>	-221
Financial net	<b>-667</b>	-499
<b>Profit before tax for the Group</b>	<b>1,532*</b>	5,761

\* including around SEK 875 million in restructuring activities.

Enclosure 7

**PARENT COMPANY INCOME STATEMENTS (SEKm)**

	Note	July-Sept 2009	July-Sept 2008	Jan-Sept 2009	Jan-Sept 2008
Net sales		397	407	1,176	1,200
Cost of services provided		-397	-407	-1,176	-1,200
<b>Gross profit</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administrative expenses		8	-31	-83	-126
Other operating income/expenses – net		12	-3	-1	-4
<b>Operating loss</b>		<b>20</b>	<b>-34</b>	<b>-84</b>	<b>-130</b>
Financial income and expenses - net	1	708	1,338	2,670	3,897
<b>Profit before taxes</b>		<b>728</b>	<b>1,304</b>	<b>2,586</b>	<b>3,767</b>
Taxes		22	30	46	80
<b>Net profit</b>		<b>750</b>	<b>1,334</b>	<b>2,632</b>	<b>3,847</b>

**PARENT COMPANY BALANCE SHEETS (SEKm)**

	Note	September 2009	September 2008
Investments in subsidiaries		17,380	14,037
Receivables from subsidiaries		10,503	11,457
Other non-current assets		427	382
<b>Non-current assets</b>		<b>28,310</b>	<b>25,876</b>
Receivables from subsidiaries		2,346	1,102
Other receivables		366	362
<b>Current assets</b>		<b>2,712</b>	<b>1,464</b>
<b>TOTAL ASSETS</b>		<b>31,022</b>	<b>27,340</b>
<b>Shareholders' equity</b>	2	<b>9,348</b>	<b>7,988</b>
<b>Untaxed reserves</b>		<b>1,095</b>	<b>1,120</b>
<b>Provisions</b>		<b>168</b>	<b>149</b>
<b>Non-current liabilities</b>		<b>10,501</b>	<b>11,266</b>
<b>Current liabilities</b>		<b>9,910</b>	<b>6,817</b>
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>		<b>31,022</b>	<b>27,340</b>
Assets pledged		0	0
Contingent liabilities		4	3

**Note 1. Financial income and expenses - net**

The net change in financial income and expenses 2009 is primarily attributable to less dividends from investments in subsidiaries.

**Note 2. Shareholders' equity (SEKm)**

	September 2009	September 2008
Opening balance 1 January	8,258	8,915
Dividends	-1,594	-2,277
Redemption of shares	-	-2,277
Net profit	2,632	3,847
Other changes	52	-220
<b>Closing balance</b>	<b>9,348</b>	<b>7,988</b>