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SKF announces new organizational structure

Creation of a single Industrial Market business area will strengthen focus on organic growth and profitability

Gothenburg, Sweden, 4 December 2014: SKF is merging its two Industrial business areas, Strategic Industries and Regional Sales and Service. The change will enable the benefits of the SKF asset life cycle to be applied to industrial customers in a more efficient manner, through a simplified organizational structure. It will also strengthen SKF's focus on organic growth and profitability, supporting the Group's financial targets.

Effective 1 January 2015, SKF will operate through three business areas: Industrial Market, Automotive Market and Specialty Business.

Tom Johnstone, President and CEO, comments:

"SKF has developed into a Knowledge Engineering Company over a number of years, successfully growing our business and improving profitability. The new, simplified organizational structure is a logical next step in our development and will strengthen our customer focus. It will also better enable us to meet the changing demands of the marketplace. We will more effectively be able to support customers in each industry, throughout the asset life cycle, reinforcing our focus on application-driven innovation."

Alrik Danielson, President and CEO from 1 January 2015, will also take up the role of President, Industrial Market. Commenting on today's announcement, he says:

"The Industrial Market business area represents approximately two-thirds of our total sales and a significant part of our profits. It is a vital part of our business and I have therefore decided to personally take responsibility for it within the Group, ensuring a smooth integration and that customers continue to benefit from the knowledge built up by our many years of investment."

As previously announced, Stephane Le-Mounier will lead the Automotive Market business area from 1 January 2015.

Patrick Tong has been appointed President, Specialty Business and a member of SKF's Group Management. In addition to his current responsibilities, Patrick will also be responsible for the activities of Kaydon Corporation and the Aerospace and Linear Actuation Technology business units. Patrick joined SKF in 1989.

In conjunction with the reorganization, Rakesh Makhija and Vartan Vartanian, Presidents of the current Strategic Industries and Regional Sales and Service business areas, will leave SKF's Group Management. Both will continue as senior advisors, supporting the CEO during the reorganization process.



Also effective 1 January 2015, Poul Jeppesen, President SKF USA Inc. and Manfred Neubert, President SKF GmbH, will no longer be members of SKF Group Management. Both will continue in their current roles.

Consequently, SKF Group Management will, as of 1 January 2015, consist of the following members:

Alrik Danielson, President and Chief Executive Officer and President, Industrial Market
Henrik Lange, Executive Vice President and Chief Financial Officer
Stephane Le-Mounier, President, Automotive Market
Patrick Tong, President, Specialty Business
Kent Viitanen, Senior Vice President, Group People, Business Excellence and Communication
Carina Bergfelt, General Counsel and Senior Vice President, Group Legal and Sustainability
Bernd Stephan, Senior Vice President, Group Technology Development

Aktiebolaget SKF
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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 around 15,000 distributor locations worldwide. Annual sales in 2013 were SEK 63,597 million and the number of employees was 48,401. www.skf.com

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