SKF India Limited

55th Annual General Meeting

July 20, 2016
SKF vision and mission

A world of reliable rotation

The undisputed leader in the bearing business
SKF India sales development

*15 months ended March 2016
Sales split

- Automotive: 41%
- Industrial: 52%
- Exports: 7%
## Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>15 months ended on March 31, 2016</th>
<th>Year ended Dec 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>29556</td>
<td>23726</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>3964</td>
<td>3062</td>
</tr>
<tr>
<td></td>
<td>13.4%</td>
<td>12.9%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>2572</td>
<td>2028</td>
</tr>
<tr>
<td></td>
<td>8.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td><strong>Cash earning per share</strong></td>
<td>62</td>
<td>49</td>
</tr>
<tr>
<td><strong>Rate of dividend %</strong></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>
EPS, ROCE, RONW & Dividend

Earning per share (₹)

- 2011: 39.5
- 2012: 36
- 2013: 31.6
- 2014: 38.5
- 2016*: 48.8

ROCE (%)

- 2011: 31
- 2012: 25
- 2013: 20
- 2014: 22
- 2016*: 25

RONW (₹ in million)

- 2011: 21
- 2012: 16
- 2013: 13
- 2014: 14
- 2016*: 16

Dividend (₹ in million)

- 2011: 396 (75%)
- 2012: 396 (75%)
- 2013: 396 (75%)
- 2014: 527.3 (100%)
- 2016*: 791 (150%)

* 15 months ended March 2016
Continue to be with winning customers
Driving innovation. Delivering excellence.

We continue to **engage** with our customers and **focused on** customer centricity to help our customers to win in their markets.
Our solutions are everywhere –
Serving over 44 segments
Driving Innovation
Made in India – SIBCO range of housings for domestic market
Pitch and Yaw bearings

For one of the largest turbine manufacturers
Seize Resistant Bearings

New customized offering for conveyor applications
SKF Tapered Bearing Unit (TBU)

India’s fastest train is running on it
Roll Shop Management Contract

Partnering two largest steel manufacturers in the country
Closer to customers

New Solution Factory in Jamshedpur
SKF Truck Hub Unit (THU1S)

Increasing service life for commercial vehicles on Indian roads
SKF Pinion unit

Reliable solution for one of the largest domestic truck manufacturer
Drum Support Unit

Running in one of the world’s largest selling washing machines
SKF Deep Groove Ball Bearings (DGBBs)

Adding reliability of transmissions to one of India’s iconic cult bikes
SKF Hub Bearing Unit (HBU1)

Efficiency and reliability for one of India’s largest SUV manufacturers
Delivering Excellence
Reducing energy consumption and CO2 footprint

2.1 MW Rooftop solar installation in Pune and Bengaluru
Reducing energy consumption and CO2 footprint

**Electricity Consumption/Value Added trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Added MINR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>17.5</td>
</tr>
<tr>
<td>2015</td>
<td>16.0</td>
</tr>
<tr>
<td>YTD 2016</td>
<td>15.2</td>
</tr>
<tr>
<td>BP 16</td>
<td>15.2</td>
</tr>
</tbody>
</table>

**CO2 emission per Value added trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>CO2 emission per Value added MINR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.7</td>
</tr>
<tr>
<td>2015</td>
<td>10.2</td>
</tr>
<tr>
<td>YTD 2016</td>
<td>9.6</td>
</tr>
<tr>
<td>BP 16</td>
<td>9.7</td>
</tr>
</tbody>
</table>

**Renewable Energy footprint in % wrt total energy**

<table>
<thead>
<tr>
<th>Year</th>
<th>Renewable Energy footprint in %</th>
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<tbody>
<tr>
<td>2014</td>
<td>17</td>
</tr>
<tr>
<td>2015</td>
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</tr>
<tr>
<td>BP 16</td>
<td>30</td>
</tr>
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</table>
SKF Production System Pune

23% reduction in resetting time
16% increase in daily output
23% reduction in inventory

Delivering Excellence
SKF Production System Bengaluru

- 21% reduction in cost of non quality
- 28% Reduction in downtime
- 12% Increase in efficiency
Collaborating with suppliers to improve their performance

48% reduction in quality complaints

85% reduction in downtime due to non availability of material
YES Center Bengaluru

Inaugurated 2\textsuperscript{nd} Skill Development Center in Bengaluru after Pune

300+ beneficiaries
Proud moments!
9 years in a row

Dun & Bradstreet best bearings company award
3 years in a row
Partner level award by John Deere
Tata Steel awards SKF

* Best Supplier Relationship Management Program partner

* Best Vendor in Business Sustainability
Tata Motors
Long Association Award
CLAAS India
Best Supplier Award
2015
Bajaj Auto

Quality Silver Award for valuable support and contribution
Best Supplier Award from HINDALCO
The journey to excellence continues...