

ALFA
LFA

Today's program

Capital Market Day, September 7, 2003

- **Introduction**
Sigge Haraldsson
- **Parts & Service in the Process Technology division**
Ulf Granstrand and Mikael Carleson
- **Equipment division - selling to multiple sales channels**
Svante Karlsson and Ole Petersen
- **Logistics and manufacturing**
Göran Mathiasson
- **Financials**
Thomas Thuresson
- **Questions and Answers**
Sigge Haraldsson

Summary

Interim Report Q2 2004

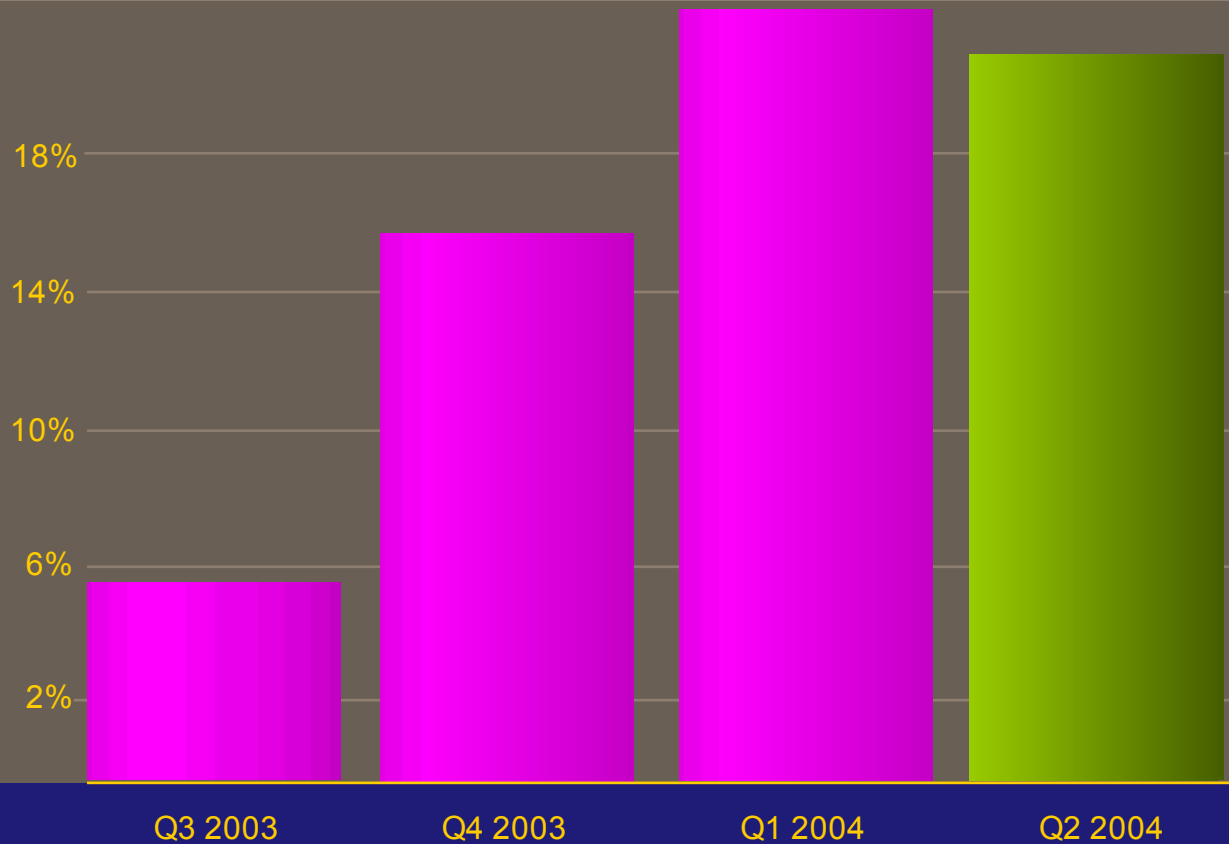
Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

Highlights

Q204	● Order intake:	4,174 MSEK
	● Net sales:	3,798 MSEK

Q on Q vs. last year (excl FX)

Order intake



Highlights

Q204	● Order intake:	4,174 MSEK
	● Net sales:	3,798 MSEK
	● Adjusted EBITA / margin:	420 MSEK / 11.1 %

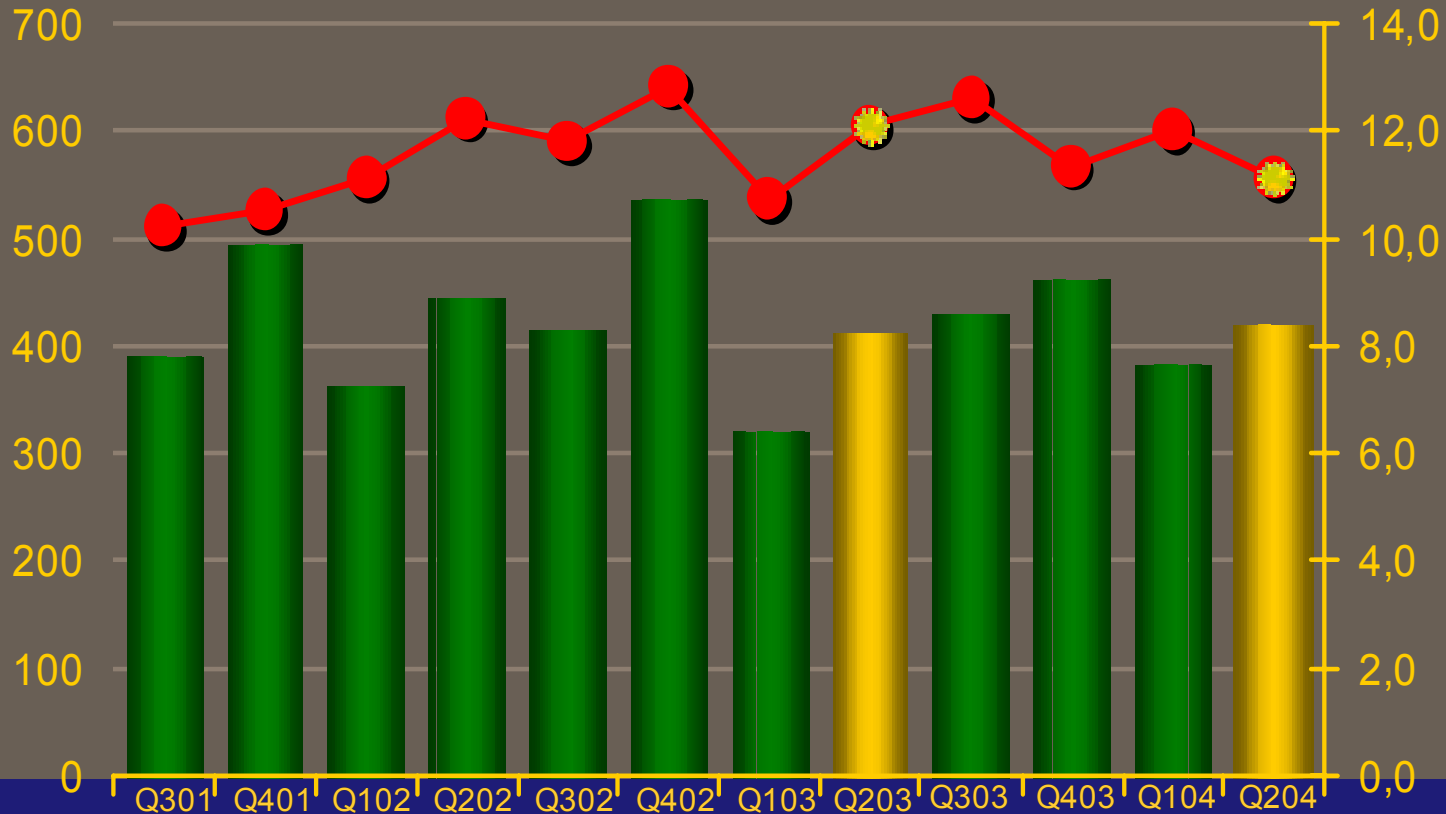
Adjusted EBITA

MSEK	Q2	H1
2003	412	734
2004	420	803
Deviation	8	69
FX. translation	10	30
FX. transaction	65	113
Deviation excl FX	83	212

* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

Adjusted EBITA / margin *

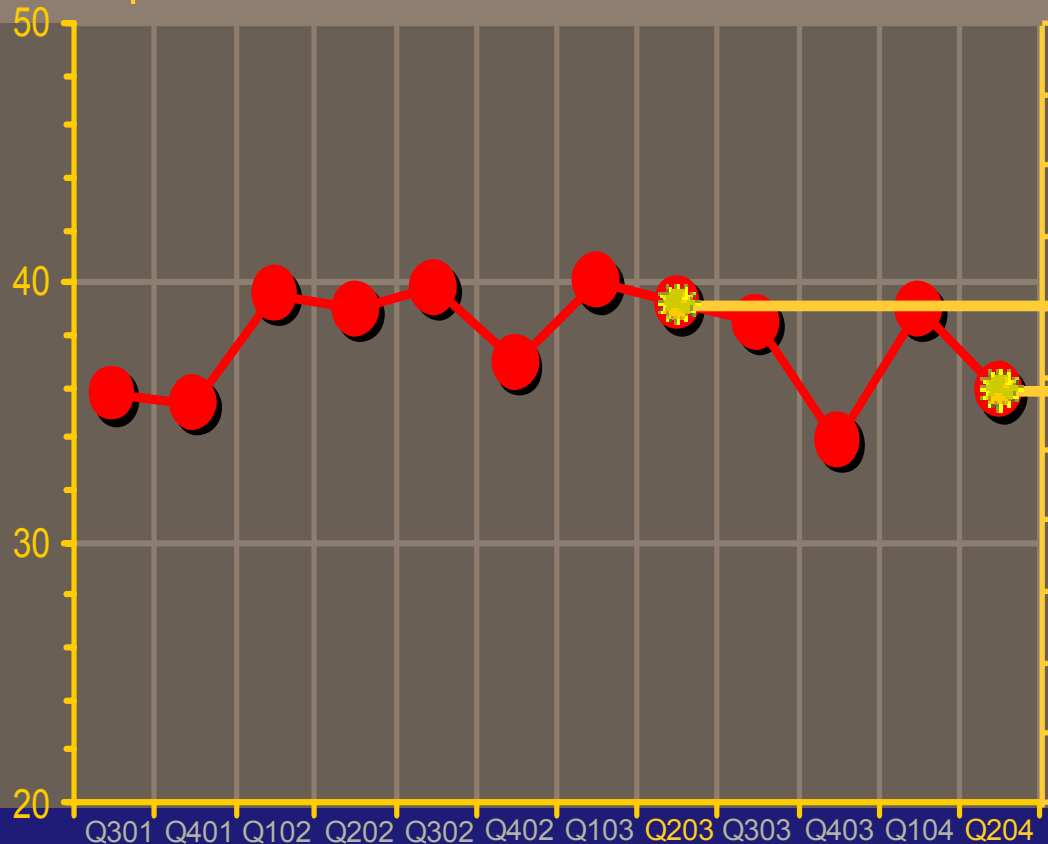
MSEK and in percent of sales



* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

Gross profit margin

In percent of sales



39.2%

35.8%

Pricing & volume leverage
approx. 0.7% = 39.2%

Sales mix
approx. 1.0% = 38.5%

FX approx. 1.7% = 37.5%

Further strengthen profitability

- Raw materialtwo price increases
- Price pressureless than 12 months ago
- Incentiveincreased focus on profit
- Assertivenessprice increase created new level
- Volume leveragehigh level of factory utilization

Highlights

Q204	● Order intake:	4,174 MSEK
	● Net sales:	3,798 MSEK
	● Adjusted EBITA / margin:	420 MSEK / 11.1 %
	● Profit before tax:	259 MSEK

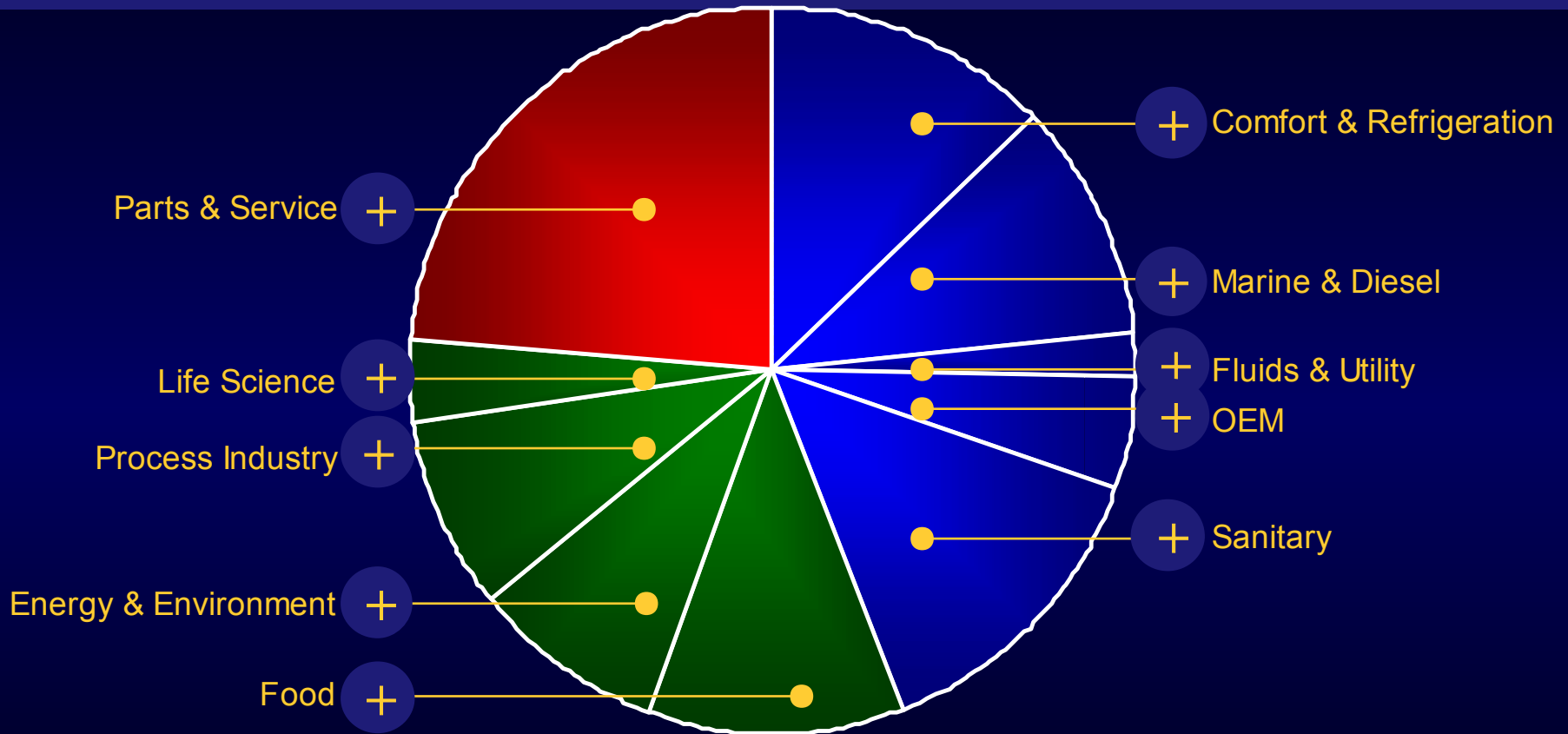
Highlights

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H104	● Adjusted EBITA / margin:	803 MSEK / 11.5 %

Highlights

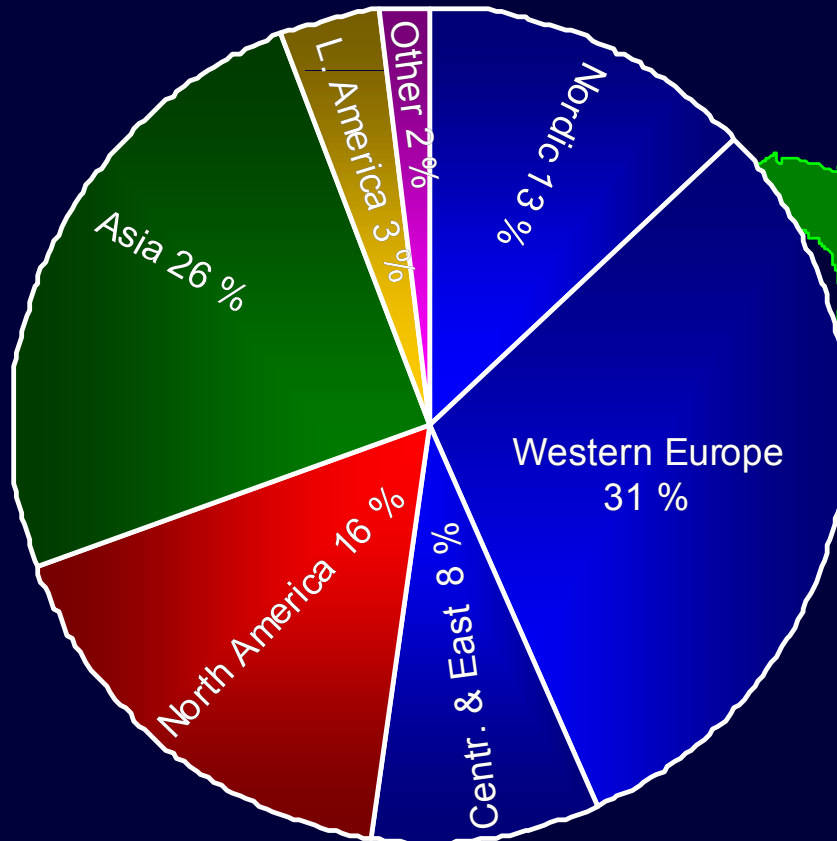
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H104	● Adjusted EBITA / margin:	803 MSEK / 11.5 %
	● Profit before tax:	470 MSEK
	● Cash flow from operating activities:	519 MSEK
	● ROCE:	22.5 %
	● Alfa Laval Inc. was co-defendant in 143 asbestos-related lawsuits with approximately 21,200 plaintiffs.	

Orders received by Segment



January – June 2004

Orders received by Region



January – June 2004

Outlook 2004

Alfa Laval is expecting ...

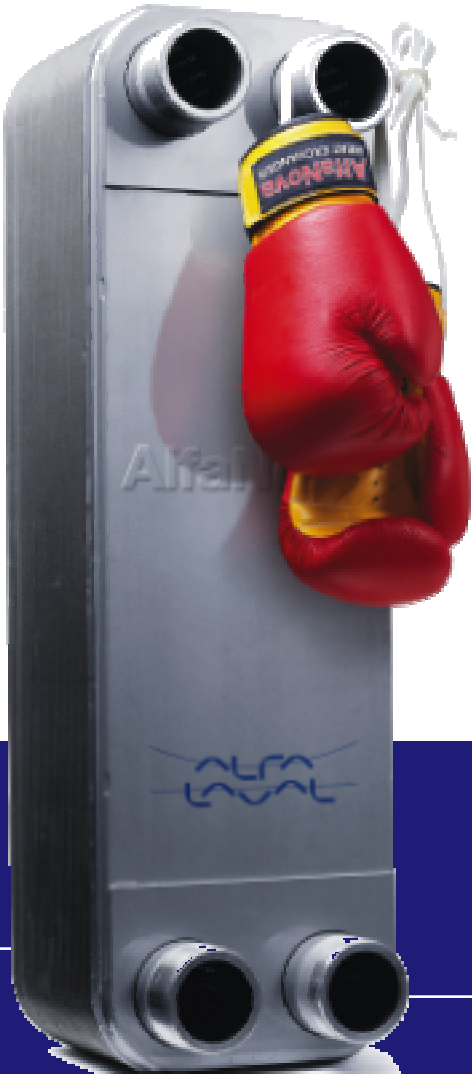
... a very strong increase in orders received during the full year 2004.

... that the EBITA-margin, excluding exchange rate variations, will continue to improve.

Update on key initiatives

Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

AlfaNova - 12 months after



- New markets
- Available today in four sizes
- Pace of 14 000 units/year
- Launch of one more size within short

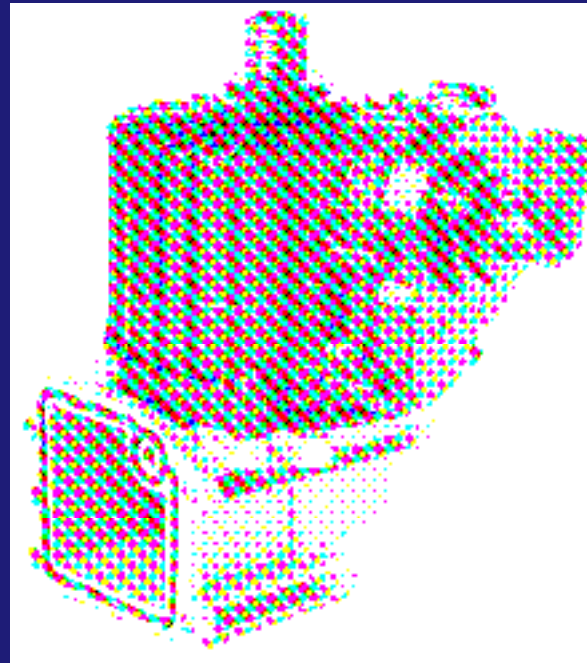
AlfaCond - 12 months after

- High interest and quick acceptance from the market
- Pace of 60 units/year
- Second size introduced



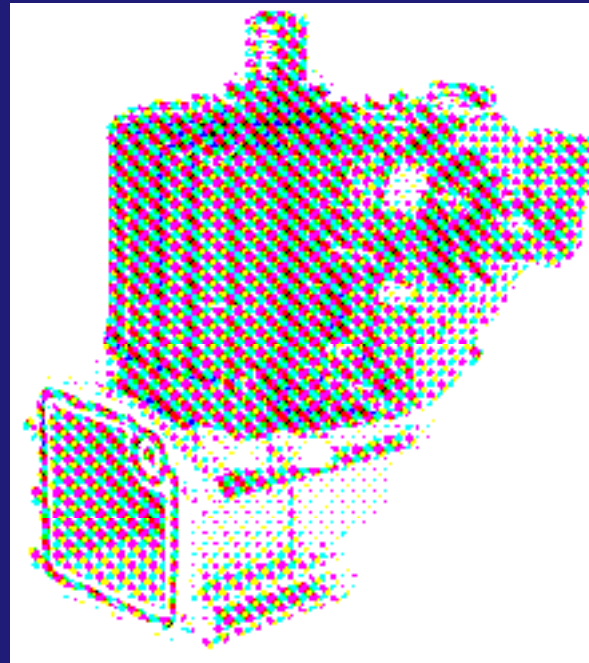
Cleaning of crankcase gases

- New innovative solution to separate fluids and solids from gases
- Require manufacturers of diesel engines to clean also the crankcase gases
- A cooperation with Haldex resulted in Alfdex, a jointly owned company



The Alfdex initiative

- Most of the engine manufacturers have already done their initial tests.
- Estimated market potential of BnSEK 1 per year
- Letter of intent from Scania



Organic and acquired growth



All six gears should give us an annual average growth of 5% over a business cycle.

Profit generation through market penetration

Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

Financial Targets



Volume growth	5%
EBITA	12 - 15%
ROCE	> 20%

Our Mission



To optimise the performance
of our customers' processes.
Time and time again.

Customer focus

Beverage

Biochemical

Brewery

Chemical

Engineering

Fish and meat processing

Food processing

Heating and ventilation

Marine

Mining



Oil and gas

Pharmaceutical

Power generation

Refrigeration

Steelworks

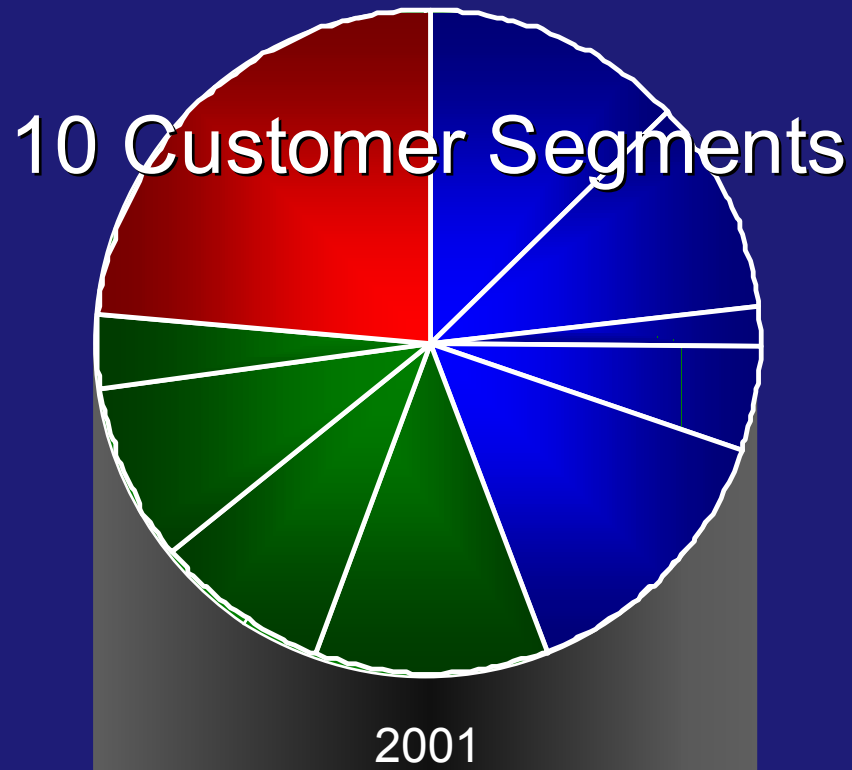
Starch

Sugar

Vegetable oil

Water and waste water
treatment

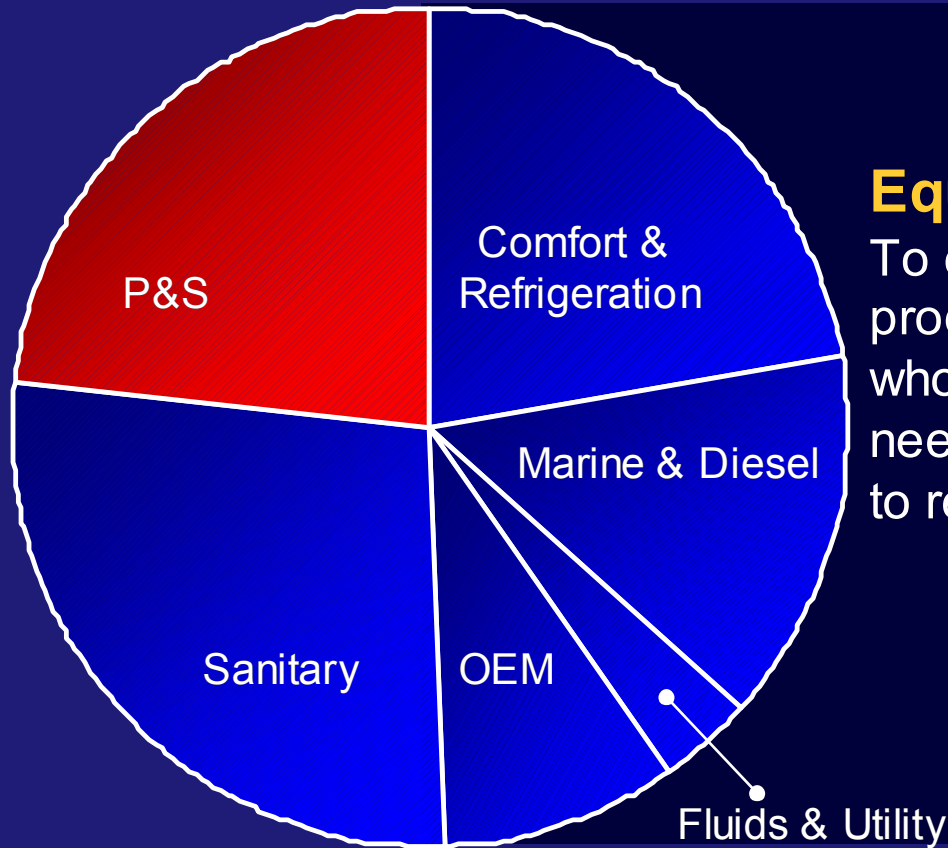
Focus on customer segments



A customer segment offers

- Single products
- Product packages
- Added value; modules, systems, new products and service contracts
- Process knowledge and expertise

Focus on customer segments

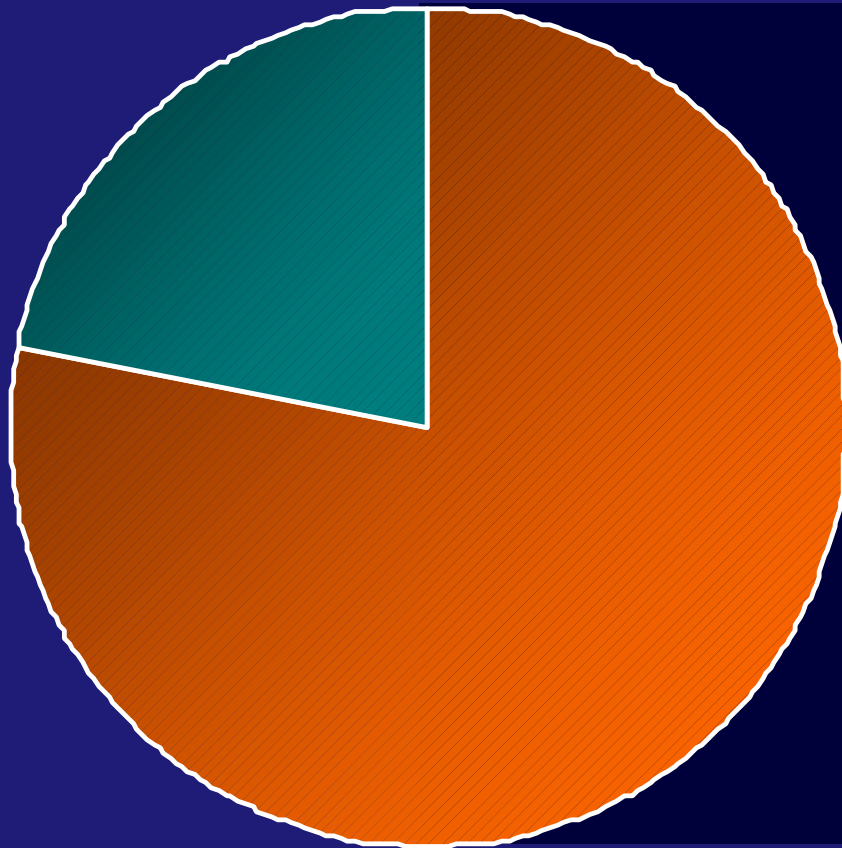


Sales H104

Equipment division

To offer a range of high-performance products and solutions for customers who have a well-defined and regular need. A multiple sales channel strategy to reach end-users.

Focus on customer segments



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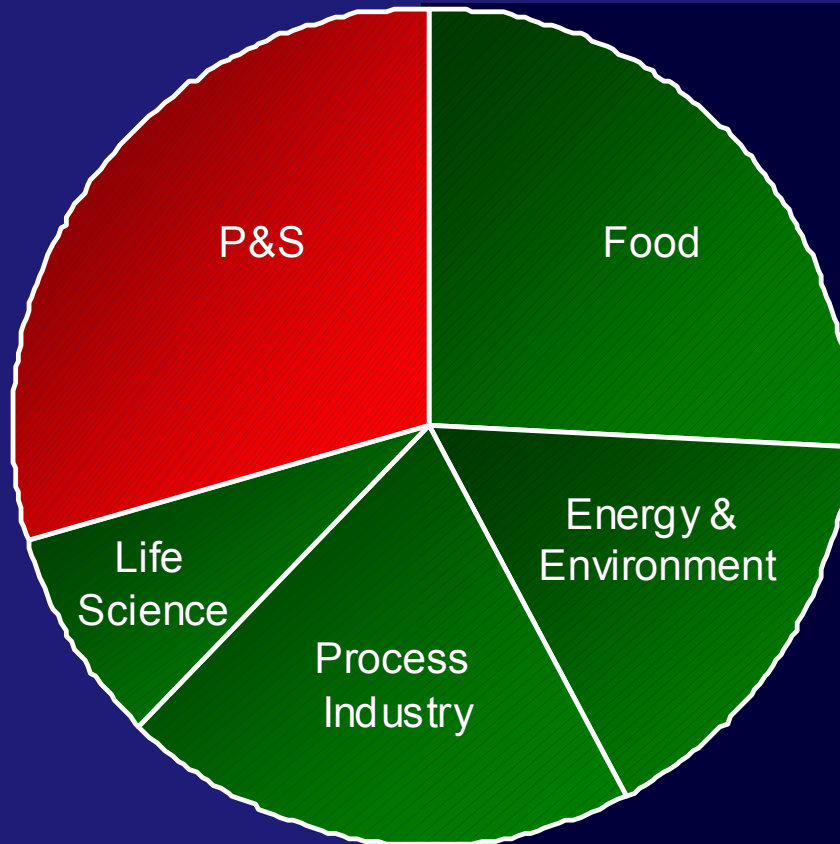


Channel sales



End-user sales

Focus on customer segments

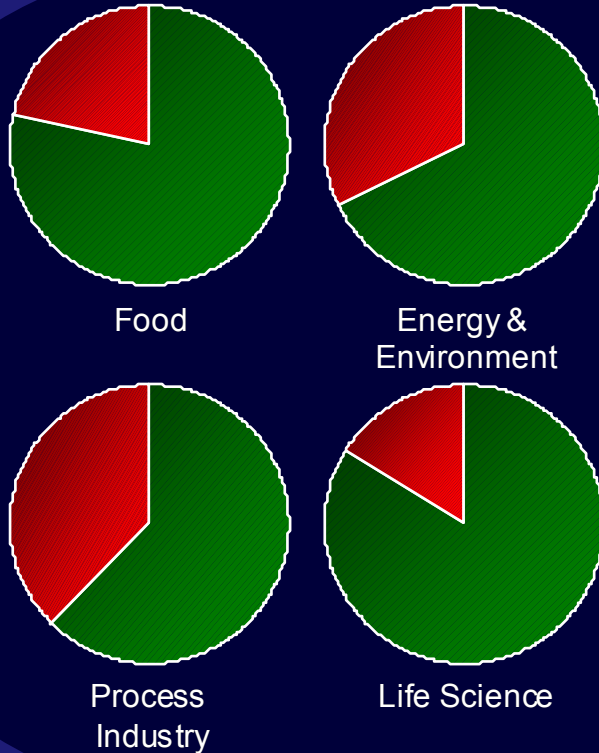


Sales H104

Process Technology division

To offer unique solutions helping customers to optimize their processes. Our scope includes everything from components to systems.

Focus on customer segments



Process Technology division

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Sales H104

 Capital sales

 After sales

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