



Alfa Laval AB (publ)

Interim report January 1 – March 31, 2004

"The first quarter 2004 was strong for Alfa Laval, both in terms of order intake, net sales and operating profit.

Order intake increased 23 percent, excluding exchange rate variations, compared to the first quarter last year. All customer segments developed better and geographically Europe, Asia and North America showed a strong increase.

Net sales during the period increased six percent and operating profit increased approximately 20 percent, which resulted in a operating margin of 12.0 percent, a clear positive development compared to the first quarter 2003."

Sigge Haraldsson, President and CEO, Alfa Laval

Summary of the first quarter 2004:

- Order intake increased to SEK 3,929 (3,378) million, meaning an increase by 22.6 percent excluding exchange rate variations.
- Net sales were SEK 3,184 (2,995) million, meaning an increase by 12.1 percent excluding exchange rate variations.
- Adjusted EBITA increased to SEK 383 (321) million, including adverse foreign exchange effects of SEK 68 million.
- Adjusted EBITA-margin increased to 12.0 percent (10.7).
- Result after financial items increased to SEK 211 (141) million.
- Cash flow from operating activities increased to SEK 321 (215) million.

Outlook 2004

Markets recovered during the second half of 2003 within most of the customer segments in which Alfa Laval is active. It is our opinion that the recovery will continue during 2004. Assuming that the recovery will not be affected by unforeseen events in the world, we believe in a strong increase in orders received during 2004.

We assess that the EBITA-margin, excluding currency effects, will be improved.

(The outlook for 2004 has not been changed compared to the outlook in the fourth quarter and full year 2003 report issued on February 16, 2004.)

The interim report has been issued on April 27, 2004 by the Board of Directors.

The interim report has not been subject to review by the company's auditors.

SEK millions, unless otherwise stated	Jan 1 - Mar 31 2004	Jan 1 - Mar 31 2003	2003	2002	2001
Order intake	3,929	3,378	14,145	14,675	15,894
Net sales	3,184	2,995	13,909	14,595	15,830
Adjusted EBITDA ¹⁾	451	396	1,920	2,087	2,138
Adjusted EBITA ²⁾	383	321	1,627	1,755	1,738
Adjusted EBITA - margin ²⁾	12.0%	10.7%	11.7%	12.0%	11.0%
Result after financial items	211	141	817	372	42
Return on capital employed ³⁾	22.0%	19.4%	21.3%	20.2%	18.5%
Return on equity capital ³⁾	13.6%	4.8%	13.2%	2.7%	2.5%
Solidity	33.1%	30.6%	33.3%	29.2%	8.2%
Debt ratio, times	0.47	0.72	0.49	0.78	5.38
Cash flow from operations	321	215	1,654	1,924	1,999
Investments	44	29	259	277	275
No. of employees (units) ⁴⁾	9,333	9,186	9,358	9,125	9,259

- 1) Adjusted EBITDA – "Earnings before interests, taxes, depreciation, amortisation of goodwill and step up values and comparison distortion items."
- 2) Adjusted EBITA – "Earnings before interests, taxes, amortisation of goodwill and step up values and comparison distortion items."
- 3) Calculated on a 12 months' revolving basis. The new issue of shares in May 2002 has changed the basis for the calculation of return on equity capital, which has affected the comparison figure.
- 4) Number of employees at the end of the period.

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Management's discussion and analysis

Orders received

Orders received amounted to SEK 3,929.0 (3,377.7) million for the first quarter. Excluding exchange rate variations, the order intake for the Group was 22.6 percent higher than the first quarter last year.

Orders received from the after market "Parts & Service" has continued to develop positively and increased by 5.2 percent compared to the corresponding period last year excluding exchange rate variations. Its relative share of the group's total orders received decreased to 24.1 (28.2) percent due to the large increase in capital sales.

Order backlog

The order backlog at March 31, 2004 was 4,840.1 (4,284.3) million. Excluding exchange rate variations, the order backlog was 19.8 percent higher than the order backlog at March 31, 2003 and 31.4 percent higher than the order backlog at the end of 2003. The latter is due to the fact that the Group normally has considerably higher invoicing during the last months of the year.

Net sales

Net sales amounted to SEK 3,183.9 (2,994.7) million for the first quarter of this year. Excluding exchange rate variations, the invoicing was 12.1 percent higher than the first quarter last year.

Comments on the Income Statement

As a basis for comments on the various main items of the income statement, please find below a comparison between January – March for 2004 and 2003 and January – December for 2003 and 2002:

Income statement analysis

SEK millions	Jan 1 - Mar 31 2004	Jan 1 - Mar 31 2003	Jan 1 - Dec 31 2003	Jan 1 - Dec 31 2002
Net sales	3,183.9	2,994.7	13,909.3	14,594.9
Adjusted gross profit	1,243.2	1,197.4	5,235.8	5,651.7
- in % of net sales	39.0	40.0	37.6	38.7
Expenses	-792.0	-801.4	-3,315.7	-3,565.0
- in % of net sales	24.9	26.8	23.8	24.4
Adjusted EBITDA	451.2	396.0	1,920.1	2,086.7
- in % of net sales	14.2	13.2	13.8	14.3
Depreciation	-68.5	-74.7	-293.1	-331.3
Adjusted EBITA	382.7	321.3	1,627.0	1,755.4
- in % of net sales	12.0	10.7	11.7	12.0
Amortisation of goodwill *	-123.8	-123.7	-494.1	-506.7
Comparison distortion items	-13.5	3.6	5.6	-29.2
EBIT	245.4	201.2	1,138.5	1,219.5

* Including amortisation of step-up values

The first three months generated a gross profit of SEK 1,168.5 (1,120.3) million. Excluding the amortisation of SEK 74.7 (77.1) million on step up values, the adjusted gross profit is SEK 1,243.2 (1,197.4) million. This corresponds to 39.0 (40.0) percent of net sales.

Sales and administration expenses amounted to SEK 723.4 (762.9) million. Excluding exchange rate variations and the acquisition of bioKinetics, sales and administration expenses were 4.1 percent lower than the corresponding period last year.

The costs for research and development has amounted to SEK 92.4 (95.7) million, corresponding to 2.9 (3.2) percent of net sales.

Adjusted EBITDA amounted to SEK 451.2 (396.0) million for the first quarter. The adjusted EBITA amounted to SEK 382.7 (321.3) million. The adjusted EBITA margin thereby increased to 12.0 (10.7) percent. The adjusted result after tax, excluding amortisation of goodwill and step-up values and the corresponding tax, is SEK 1.83 (1.76) per share.

The result has been affected by comparison distortion items of SEK -13.5 (3.6) million. The divestment of the Tri-Lad operations in Canada has generated a loss of SEK -15.0 million and the sale of a minor property in Brazil has resulted in a realised gain of SEK 1.5 million. On February 26, 2003 the property in Newmarket, Canada was sold for SEK 20.0 million, with a realised gain of SEK 3.6 million.

Divisional reporting

Equipment division

The Equipment division consists of six customer segments: Comfort & Refrigeration, Fluids & Utility Equipment, Marine & Diesel, OEM (Original Equipment Manufacturers), Sanitary Equipment and the aftermarket segment Parts & Service.

SEK millions	Jan 1- Mar 31 2004	Jan 1- Mar 31 2003	Jan 1- Dec 31 2003	Jan 1- Dec 31 2002
Orders received	2,093.8	1,964.9	8,069.9	8,092.6
Order backlog *	1,764.3	1,572.4	1,598.9	1,564.5
Net sales	1,863.8	1,829.5	7,841.8	8,129.6
Operating income	250.7	229.4	1,010.9	1,098.8

* At the end of the period.

Orders received and net sales (all comments are after adjustment for exchange rate fluctuations)

Orders received increased by 11.8 percent and net sales increased by 7.0 percent during the first quarter 2004 compared to the corresponding period last year.

Almost without exception orders received have developed well in all the various applications and channels served by the Equipment division. Parts & Service has continued to grow also in the first quarter of 2004. The growth came out of industrial applications as well as marine.

Operating income (all comments are after adjustment for exchange rate fluctuations)

The increase in operating income during the first quarter 2004 compared to the corresponding period 2003 is mainly due to higher gross margin by SEK 33.7 million, partly offset by a negative translation impact from exchange rates.

Process Technology division

The Process Technology division consists of five customer segments: Energy & Environment, Food Technology, Life Science, Process Industry and the aftermarket segment Parts & Service.

SEK millions	Jan 1- Mar 31 2004	Jan 1- Mar 31 2003	Jan 1- Dec 31 2003	Jan 1- Dec 31 2002
Orders received	1,805.1	1,395.9	5,990.6	6,488.1
Order backlog *	3,026.9	2,697.0	2,398.0	2,752.6
Net sales	1,314.0	1,143.5	5,993.6	6,377.1
Operating income	67.1	15.1	351.5	537.5

* At the end of the period.

Orders received and net sales (all comments are after adjustment for exchange rate fluctuations)

Orders received increased by 37.0 percent and net sales increased by 21.8 percent during the first quarter 2004 compared to the corresponding period last year. Excluding the acquisition of bioKinetics, the corresponding figures are 33.4 percent and 14.0 percent.

All segments in the Process Technology division have reported an increase in orders received compared to the first quarter 2003.

Operating income (all comments are after adjustment for exchange rate fluctuations)

The increase in operating income during the first quarter 2004 compared to the corresponding period 2003 is foremost due to higher gross margin by SEK 71.8 million, partly offset by a negative translation impact from exchange rates.

Operations division and Other

Operations are responsible for procurement, production and logistics. Other is referring to corporate overhead and non-core businesses.

SEK millions	Jan 1- Mar 31 2004	Jan 1- Mar 31 2003	Jan 1- Dec 31 2003	Jan 1- Dec 31 2002
Orders received	30.1	16.9	84.8	94.1
Order backlog *	48.9	14.9	24.2	23.0
Net sales	6.1	21.7	73.9	88.2
Operating income	-58.9	-46.9	-229.5	-387.6

* At the end of the period.

Reporting by geographical markets

The Group's secondary segments are geographical markets. All comments are after considering exchange rate variations.

Orders received

Orders received increased substantially in North America, Asia, Europe and Africa and increased in Oceania, whereas orders received decreased slightly in Latin America during the first quarter 2004 compared to the corresponding period last year.

Net sales

The invoicing increased substantially in Central and Eastern Europe, Asia, North America and Oceania and increased in Western Europe, the Nordic countries and Latin America, whereas the invoicing decreased in Africa during the first quarter 2004 compared to the corresponding period last year.

Presentation of geographical markets

Net sales

	Jan 1 - Mar 31 2004 SEK		Jan 1 - Mar 31 2003 SEK		Jan 1 - Dec 31 2003 SEK		Jan 1 - Dec 31 2002 SEK	
Consolidated	in millions	%	in millions	%	in millions	%	in millions	%
Customers in								
Sweden	220.2	6.9%	198.8	6.6%	893.2	6.4%	835.1	5.7%
Other EU	1,098.5	34.5%	1,072.7	35.8%	4,727.2	33.9%	4,953.1	33.9%
Other Europe	367.1	11.5%	289.3	9.7%	1,567.8	11.3%	1,497.8	10.3%
USA	500.4	15.7%	492.6	16.4%	2,159.0	15.5%	2,638.7	18.1%
Other North America	57.4	1.8%	82.4	2.8%	315.0	2.3%	423.5	2.9%
Latin America	129.0	4.1%	127.2	4.3%	553.6	4.0%	626.7	4.3%
Africa	34.4	1.1%	22.0	0.7%	182.7	1.3%	69.6	0.5%
Asia	688.4	21.6%	659.8	22.0%	3,252.7	23.4%	3,296.6	22.6%
Oceania	88.5	2.8%	49.9	1.7%	258.1	1.9%	253.8	1.7%
Total	3,183.9	100.0%	2,994.7	100.0%	13,909.3	100.0%	14,594.9	100.0%

Consolidated financial result and net income

The financial net has amounted to SEK -44.9 (-73.1) million, excluding realised and unrealised exchange rate losses and gains. The main elements of costs were interest on debt to the banking syndicate of SEK -12.5 (-46.1) million, interest on the bond loan of SEK -32.9 (-36.0) million and a net of dividends and other interest income and interest costs of SEK 0.5 (9.0) million. The decrease in interests to the banking syndicate between 2004 and 2003 is mainly due the cancellation of the previous interest rate swaps that were requested by the previous banking syndicate.

The net of realised and unrealised exchange rate differences amounts to SEK 10.3 (13.4) million.

The result after financial items increased to SEK 210.7 (141.5) million.

Income taxes were SEK -91.8 (-34.0) million. The difference between the first quarter of 2004 and 2003 is primarily due to utilisation of loss carry forwards during 2003 and losses in a few individual countries during 2004.

The parent company's result after financial items was SEK 0.4 (0.4) million, out of which net interests were SEK 1.4 (0.6) million, realised and unrealised exchange rate gains and losses SEK - (-0.2) million and fees to the Board and other administration costs the remaining SEK -1.0 (-) million.

Asbestos-related lawsuits in the United States

Alfa Laval's subsidiary in the US, Alfa Laval Inc, was as of March 31, 2004 named as co-defendant in a total of 131 asbestos-related lawsuits with a total of approximately 20,000 plaintiffs. The lawsuits filed in Mississippi account for approximately 99 percent of all plaintiffs.

Alfa Laval strongly believes the claims against the company are without merit and intends to vigorously contest each lawsuit.

After thorough investigations Alfa Laval continues to believe that potential claims in connection with asbestos related lawsuits against Alfa Laval Inc will be covered by insurance policies. Furthermore, primary insurance policies issued in favour of Alfa Laval Inc. provide for coverage of its defence costs.

During the first quarter 2004 Alfa Laval Inc has been named as co-defendant in an additional 16 lawsuits with a total of 453 plaintiffs. During the first quarter 8 lawsuits involving 30 plaintiffs have been resolved. This gives a grand total of 78 lawsuits that have been resolved. Alfa Laval has furthermore been dismissed from the proceedings in respect of approximately 270 plaintiffs in ongoing multiple plaintiffs lawsuits.

Based on current information and Alfa Laval's understanding of these lawsuits, Alfa Laval continues to believe that these lawsuits will not have a material adverse effect on the company's financial condition or results of operation.

Cash flow

Cash flow from operating and investing activities increased to SEK 254.1 (142.6) million during the first quarter, out of which divestments generated cash of SEK 13.7 (26.0) million.

Working capital increased by SEK 47.7 million during the first quarter. The corresponding figure for 2003 was an increase by SEK 96.3 million.

Investments in property, plant and equipment amounted to SEK 43.9 (28.5) million during the first quarter. Depreciations, excluding allocated step up values, amounted to SEK 68.5 (74.7) million during the period.

Cash and bank

The Group's cash and bank amounted to SEK 484.3 (520.0) million. The item cash and bank in the balance sheet and in the cash flow statement is mainly relating to bank deposits. Cash and bank includes a bank deposit in the publicly listed subsidiary Alfa Laval (India) Ltd of about SEK 32.5 (69.3) million. The company is not a wholly owned subsidiary of the Alfa Laval Group. It is owned to 64.1 percent.

Borrowings and net debt

Debt table

Consolidated	March 31	March 31	December 31	December 31
SEK millions	2004	2003	2003	2002
Credit institutions	2,708.3	3,016.2	2,530.7	3,360.2
Bond loan	1,086.5	1,123.2	1,064.8	1,127.6
Capitalised financial leases	11.1	23.4	13.6	24.7
Interest-bearing pension liabilities	5.2	6.1	5.2	6.1
Total debt	3,811.1	4,168.9	3,614.3	4,518.7
Cash, bank and current deposits	1,421.6	847.4	1,213.2	1,020.2
Net debt	2,389.5	3,321.5	2,401.1	3,498.5

During the first quarter a voluntary amortisation of SEK - (227.7) million was made on the syndicated loan.

During the first quarter Alfa Laval has re-purchased bonds at the prevailing market rate for a face value of SEK - (11.7) million. The difference between the higher market value and the face value was SEK - (1.9) million, which has been reported as an interest cost. The bond loan accrues interest at 12.125 percent, which is considerably more than the Group's current cost for other external financing.

The loan facility with the banking syndicate consists of two parts. The first part is an amortisation free loan of originally EUR 423.9 million. This has been reduced to EUR 271.3 million through voluntary amortisation of EUR 87.4 million and reduction through exchange rate movements of EUR 65.2 million. The other part is a revolving working capital facility of EUR 150 million, which was unutilised as of March 31, 2004. The maturity of this combined facility is five years and the interest is based on applicable IBOR plus a mark up based on the relation between net debt and EBITDA.

Ownership and legal structure

Alfa Laval AB (publ) is the parent company of the Alfa Laval Group.

The company had 9,168 (5,432) shareholders on March 31, 2004. The two largest owners are Industri Kapital and Tetra Laval, where 17.9 (26.9) percent are owned by the partnerships that are controlled by Industri Kapital 2000 Ltd, United Kingdom and 17.7 (17.7) percent are owned by Tetra Laval B.V., the Netherlands. Next to the two largest owners there are eight institutional investors with ownership in the range of 5.3 to 2.0 percent. These ten largest owners own 62.9 (68.0) percent of the shares.

Acquisitions and disposals

As earlier communicated Alfa Laval has initiated new negotiations with the former owner Kinetics Group Inc. See further developments after March 31, 2004 under events after the balance sheet date below.

On December 5, 2003 an asset purchase agreement was signed between the subsidiary Tri-Lad Inc in Canada and local management of the company whereby all non-financial assets were sold to local management. The closing date was January 30, 2004. Tri-Lad Inc is selling equipment to the oil & gas industry and was a non-core activity within Alfa Laval. It has been up for sale since several years. The divestment of the Tri-Lad operations has generated a loss of SEK -15.0 million.

Accounting principles

The same accounting principles and accounting estimates have been applied in the first quarter interim report 2004 as for the annual report for 2003.

Proposed disposition of earnings

The Board of Directors have proposed a dividend for 2003 of SEK 4.00 (2.00) per share corresponding to SEK 446.7 (223.3) million and that the remaining income available for distribution of SEK 622.3 (450.3) million be carried forward.

Date for the next financial report

The interim report for the second quarter 2004 will be published on August 16, 2004.

Events after the balance sheet date

Alfa Laval has in a press release on April 7, 2004 communicated its decision to file a lawsuit against the former owner of bioKinetics Inc. Alfa Laval made public in December 2003 that the company had decided to initiate new negotiations with the former owner of bioKinetics Inc. This decision was based on the fact that Alfa Laval suspected irregularities in the accounting of certain customer projects in the acquired US company. The negotiations have not led to any settlement. Alfa Laval has therefore decided to file a lawsuit against the former owner of bioKinetics Inc and certain individuals.

The balance sheets and the income statements for 2003 will be adopted at the Annual General Meeting of shareholders on April 27, 2004.

On April 15, 2004 Alfa Laval has signed a new senior credit facility of USD 325 million and EUR 150 million with a banking syndicate. The former facility was transferred to a multi currency revolving credit facility. The new facility provides increased flexibility, improved terms and extended security of funding.

On April 27, 2004 the Alfa Laval Board of Directors has appointed Lars Renström new CEO and President of the Alfa Laval Group.

CONSOLIDATED CASH-FLOW STATEMENTS

Amounts in SEK millions	Jan 1 - Mar 31 2004	Jan 1 - Mar 31 2003	Jan 1 - Dec 31 2003	Jan 1 - Dec 31 2002
Cash flow from operating activities				
Operating income	245.4	201.2	1,138.5	1,219.5
Adjustment for depreciation	192.3	198.4	787.2	838.0
Adjustment for other non-cash items	11.8	-3.8	22.1	35.0
	<u>449.5</u>	<u>395.8</u>	<u>1,947.8</u>	<u>2,092.5</u>
Taxes paid	-80.5	-84.6	-268.6	-396.2
Cash flow from operations before working capital	369.0	311.2	1,679.2	1,696.3
Changes in working capital:				
(Increase)/decrease of current receivables	296.8	247.1	-25.4	339.3
(Increase)/decrease of inventories	-245.7	-262.5	-17.2	140.4
Increase/(decrease) of liabilities	-98.8	-80.9	16.9	-252.2
	<u>-47.7</u>	<u>-96.3</u>	<u>-25.7</u>	<u>227.5</u>
Cash flow from operating activities	<u><u>321.3</u></u>	<u><u>214.9</u></u>	<u><u>1,653.5</u></u>	<u><u>1,923.8</u></u>
Cash flow from investing activities				
Investments in fixed assets	-43.9	-28.5	-258.5	-276.7
Divestment of fixed assets	3.6	26.0	40.1	120.7
Additional purchase price	-8.2	-	-	-367.5
Acquisition of businesses	-	-40.9	-289.5	-135.7
Reduction of purchase price	-	-	-	81.6
Divestment of businesses	10.1	-	-	-
Provisions	-28.8	-28.9	50.5	29.8
Cash flow from investing activities	<u><u>-67.2</u></u>	<u><u>-72.3</u></u>	<u><u>-457.4</u></u>	<u><u>-547.8</u></u>
Cash flow from financing activities				
Financial net, paid	-44.3	-20.7	-231.1	-973.3
New issue of shares	-	-	-	3,136.6
Dividends	-	-	-223.3	-
(Increase)/decrease of other financial assets	-250.3	159.0	-256.9	-84.2
Capitalised financing costs, acquisition loans	-	-	-	-39.7
Increase/(decrease) of liabilities to credit institutions	-59.7	-346.7	-455.9	-3,359.6
Cash flow from financing activities	<u><u>-354.3</u></u>	<u><u>-208.4</u></u>	<u><u>-1,167.2</u></u>	<u><u>-1,320.3</u></u>
Net increase (decrease) in cash and bank	-100.2	-65.8	28.9	55.7
Cash and bank at the beginning of the year	554.6	605.9	605.9	666.4
Translation difference in cash and bank	29.9	-20.1	-80.2	-116.2
Cash and bank at the end of the period	<u>484.3</u>	<u>520.0</u>	<u>554.6</u>	<u>605.9</u>
Cash flow per share (SEK)	-0.90	-0.59	0.26	0.65
Average number of shares*	111,671,993	111,671,993	111,671,993	85,482,322

CONSOLIDATED INCOME STATEMENT

	Jan 1 - Mar 31 2004	Jan 1 - Mar 31 2003	Jan 1 - Dec 31 2003	Jan 1 - Dec 31 2002
Amounts in SEK millions				
Net sales	3,183.9	2,994.7	13,909.3	14,594.9
Cost of goods sold	-2,015.4	-1,874.4	-8,976.3	-9,262.2
Gross profit	1,168.5	1,120.3	4,933.0	5,332.7
Sales costs	-537.7	-537.2	-2,245.8	-2,115.1
Administration costs	-185.7	-225.7	-870.1	-1,030.7
Research and development costs	-92.4	-95.7	-368.1	-355.2
Comparison distortion items	-13.5	3.6	5.6	-29.2
Other operating income	70.9	55.6	242.4	268.7
Other operating costs	-115.6	-73.1	-367.2	-664.0
Amortisation of goodwill	-49.1	-46.6	-191.3	-187.7
Operating income	245.4	201.2	1,138.5	1,219.5
Dividends	0.6	5.1	6.9	7.8
Interest income	74.0	74.4	267.5	351.4
Interest expense	-109.3	-139.2	-595.5	-901.8
Comparison distortion items	-	-	-	-304.8
Result after financial items	210.7	141.5	817.4	372.1
Minority share in subsidiaries' income	-13.7	-9.7	-41.6	-33.7
Taxes	-91.8	-34.0	-130.0	-218.3
Net income for the year	105.2	97.8	645.8	120.2
Earnings per share (SEK)	0.94	0.88	5.78	1.41
Average number of shares *	111,671,993	111,671,993	111,671,993	85,482,322

* The average number of shares has been changed through split and new issue of shares.

In order to illustrate the quarterly development, the income statement analysis is shown also for the last ten quarters:

Income statement analysis

SEK millions	2004		2003			2002				2001
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	3,183.9	4,086.3	3,426.3	3,402.0	2,994.7	4,175.1	3,503.7	3,654.2	3,261.9	4,738.6
Adjusted gross profit	1,243.2	1,385.0	1,318.9	1,334.5	1,197.4	1,539.1	1,394.7	1,426.4	1,291.5	1,679.5
- in % of net sales	39.0	33.9	38.5	39.2	40.0	36.9	39.8	39.0	39.6	35.4
Expenses	-792.0	-846.5	-818.0	-849.8	-801.4	-922.3	-902.5	-898.3	-841.9	-1,080.2
- in % of net sales	24.9	20.7	23.9	25.0	26.8	22.1	25.8	24.6	25.8	22.8
Adjusted EBITDA	451.2	538.5	500.9	484.7	396.0	616.8	492.2	528.1	449.6	599.3
- in % of net sales	14.2	13.2	14.6	14.2	13.2	14.8	14.0	14.5	13.8	12.6
Depreciation	-68.5	-75.5	-70.7	-72.2	-74.7	-81.8	-78.6	-83.1	-87.8	-103.3
Adjusted EBITA	382.7	463.0	430.2	412.5	321.3	535.0	413.6	445.0	361.8	496.0
- in % of net sales	12.0	11.3	12.6	12.1	10.7	12.8	11.8	12.2	11.1	10.5
Amortisation of goodwill *	-123.8	-124.5	-124.1	-121.8	-123.7	-125.9	-128.7	-125.7	-126.4	-127.9
Comparison distortion items	-13.5	2.0	0.0	0.0	3.6	-0.7	15.9	0.5	-44.9	5.3
EBIT	245.4	340.5	306.1	290.7	201.2	408.4	300.8	319.8	190.5	373.4

* Including amortisation of step-up values

CONSOLIDATED BALANCE SHEET

Amounts in SEK millions	Mar 31 2004	Mar 31 2003	Dec 31 2003	Dec 31 2002
ASSETS				
Non-current assets:				
Intangible assets	4,249.6	4,585.3	4,200.0	4,703.3
Property, plant and equipment	2,763.3	2,997.4	2,756.5	3,082.7
Financial assets	683.5	670.0	670.7	751.9
Current assets				
Inventories	2,545.2	2,568.6	2,217.8	2,279.0
Accounts receivable	2,591.6	2,442.1	2,463.3	2,504.0
Other receivables	1,090.2	937.0	1,168.0	1,086.2
Other current deposits	937.3	327.4	658.6	414.3
Cash and bank	484.3	520.0	554.6	605.9
TOTAL ASSETS	15,345.0	15,047.8	14,689.5	15,427.3
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	5,075.1	4,606.0	4,897.0	4,512.3
Minority interest	128.7	115.2	104.2	108.2
Provisions for:				
Pensions and similar commitments	786.0	711.5	754.8	720.6
Deferred taxes	890.2	1,001.9	817.0	990.3
Other	903.6	950.7	891.2	989.3
	2,579.8	2,664.1	2,463.0	2,700.2
Non-current liabilities:				
Liabilities to credit institutions	2,548.2	2,825.5	2,427.0	3,105.8
Bond loan	1,086.5	1,123.2	1,064.8	1,127.6
	3,634.7	3,948.7	3,491.8	4,233.4
Current liabilities:				
Liabilities to credit institutions	160.1	190.7	103.7	254.4
Accounts payable	1,240.6	1,089.1	1,199.4	1,173.2
Advances from customers	582.7	621.9	512.1	571.3
Other liabilities	1,943.3	1,812.10	1,918.3	1,874.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	15,345.0	15,047.8	14,689.5	15,427.3

CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK millions

	Jan 1 - Mar 31 2004	Jan 1 - Mar 31 2003	Jan 1 - Dec 31 2003	Jan 1 - Dec 31 2002
At the beginning of the period	4,897.0	4,512.3	4,512.3	1,445.1
New issue of shares	-	-	-	3,136.6
Dividends	-	-	-223.3	-
Translation difference	72.9	-4.1	-37.8	-189.6
Net income for the period	105.2	97.8	645.8	120.2
At the end of the period	5,075.1	4,606.0	4,897.0	4,512.3

The share capital of SEK 1,116,719,930 is divided into 111,671,993 shares at par value SEK 10.