ALFA
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Interim Report Q2 2004

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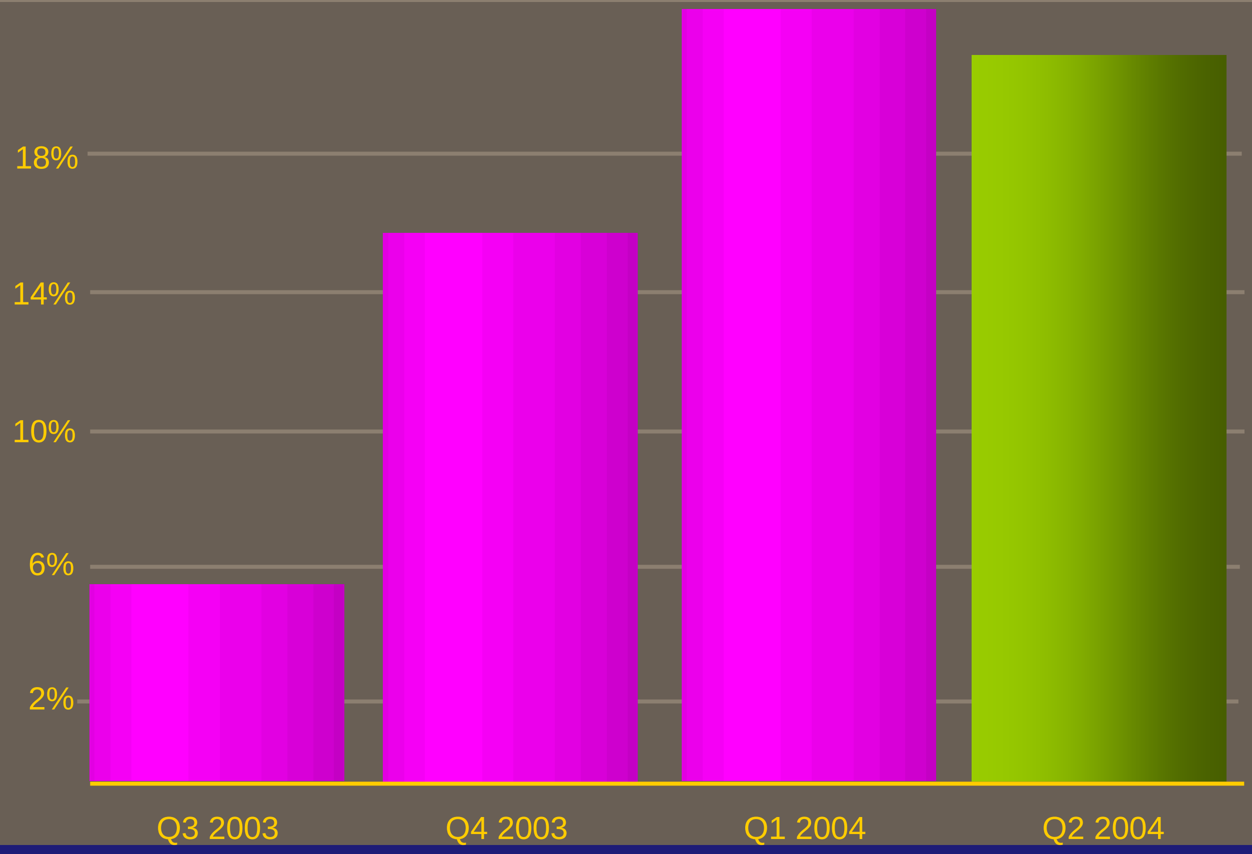
Highlights

Q204

• Order intake:	4,174 MSEK
• Net sales:	3,798 MSEK

Q on Q vs last year (excl FX)

Order intake



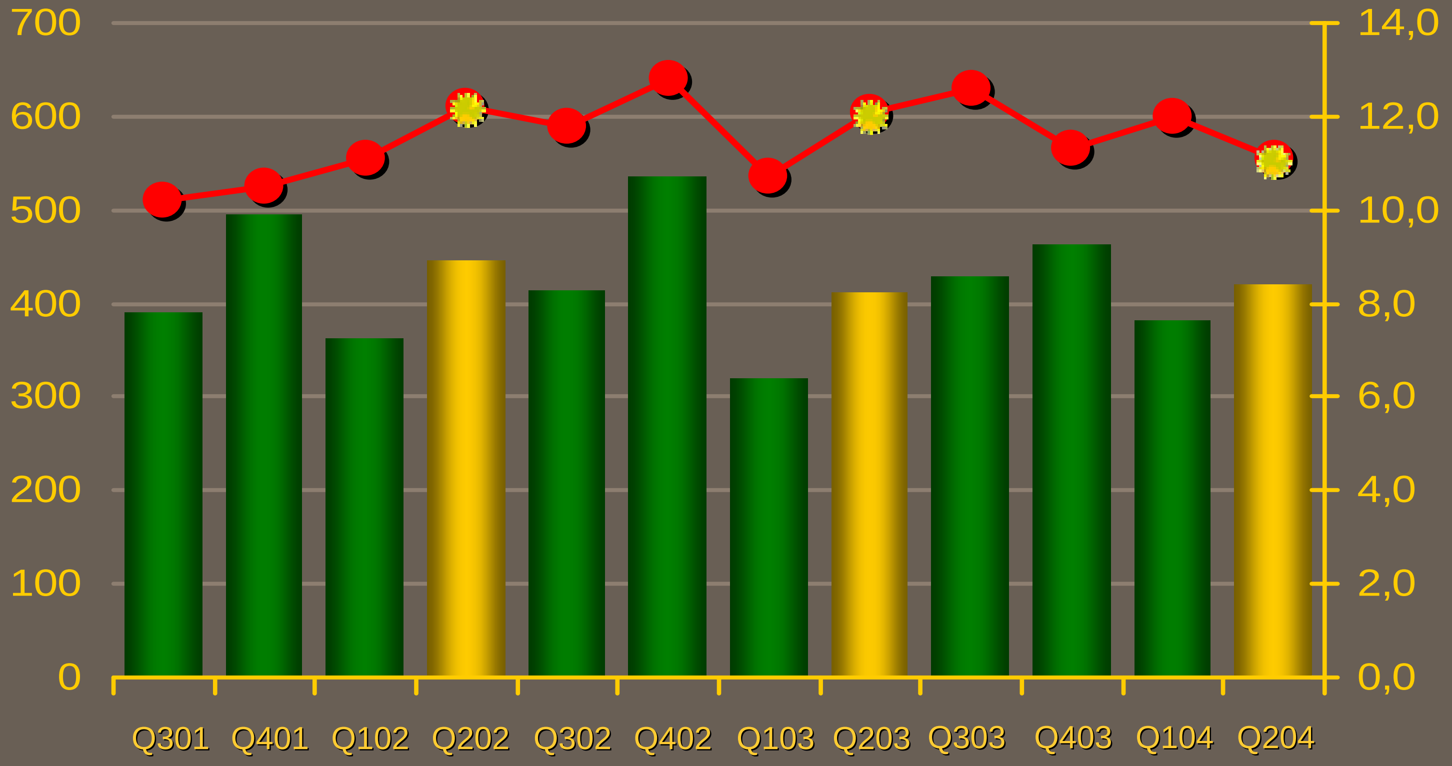
Highlights

Q204

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

Adjusted EBITA / margin *

MSEK and in percent of sales



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

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

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

Q204	• Order intake:	4,174 MSEK
	• Net sales:	3,798 MSEK
	• Adjusted EBITA / margin:	420 MSEK / 11.1 %
	• Profit before tax:	259 MSEK
H104	• Adjusted EBITA / margin:	803 MSEK / 11.5 %

Highlights

Q204	Order intake:	4,174 MSEK
	Net sales:	3,798 MSEK
	Adjusted EBITA / margin:	420 MSEK / 11.1 %
	Profit before tax:	259 MSEK
H104	Adjusted EBITA / margin:	803 MSEK / 11.5 %
	Profit before tax:	470 MSEK
	Cash flow from operating activities:	519 MSEK
	ROCE:	22.5 %

Highlights

Q204	• Order intake:	4,174 MSEK
	• Net sales:	3,798 MSEK
	• Adjusted EBITA / margin:	420 MSEK / 11.1 %
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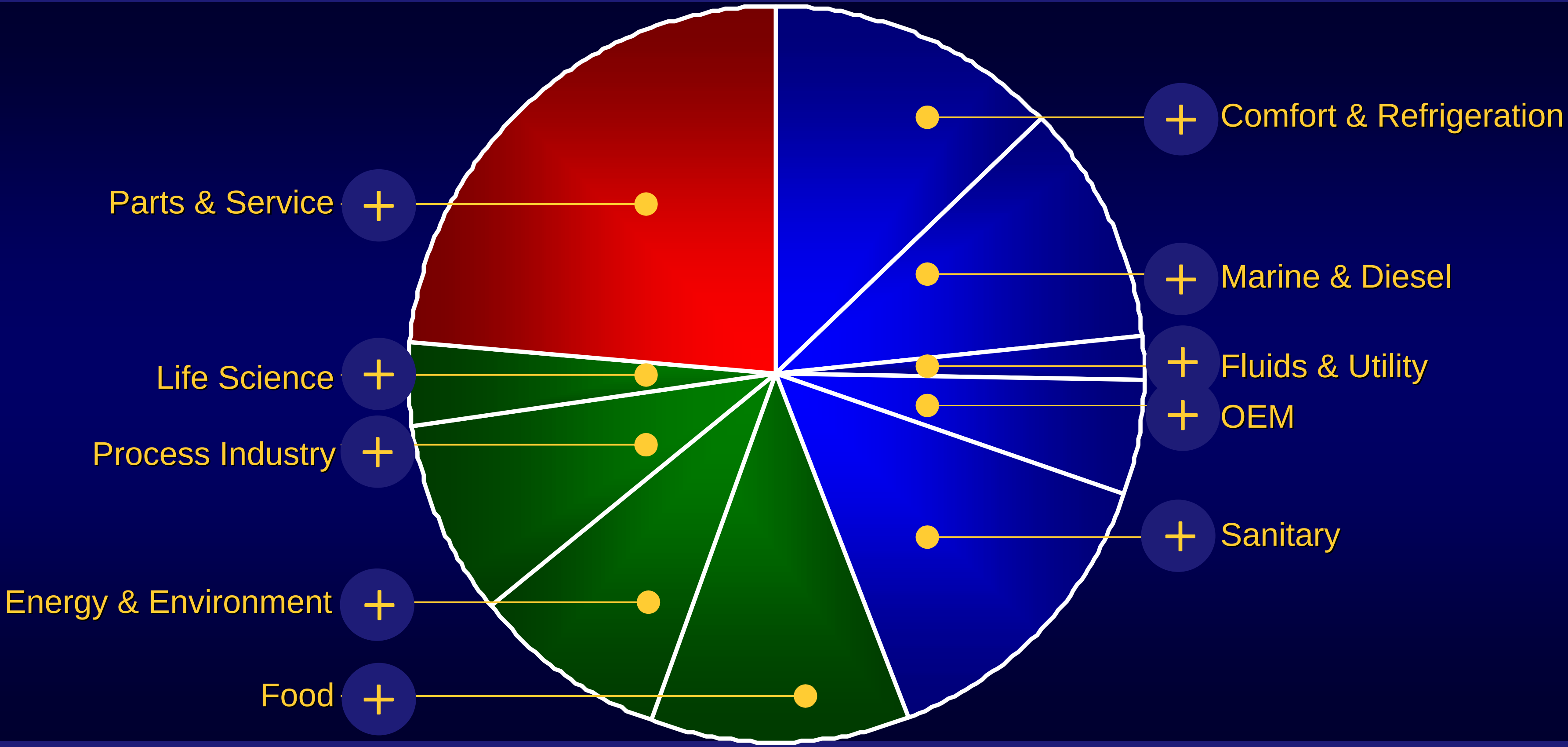
H104	• Adjusted EBITA / margin:	803 MSEK / 11.5 %
	• Profit before tax:	470 MSEK
	• Cash flow from operating activities:	519 MSEK
	• ROCE:	22.5 %

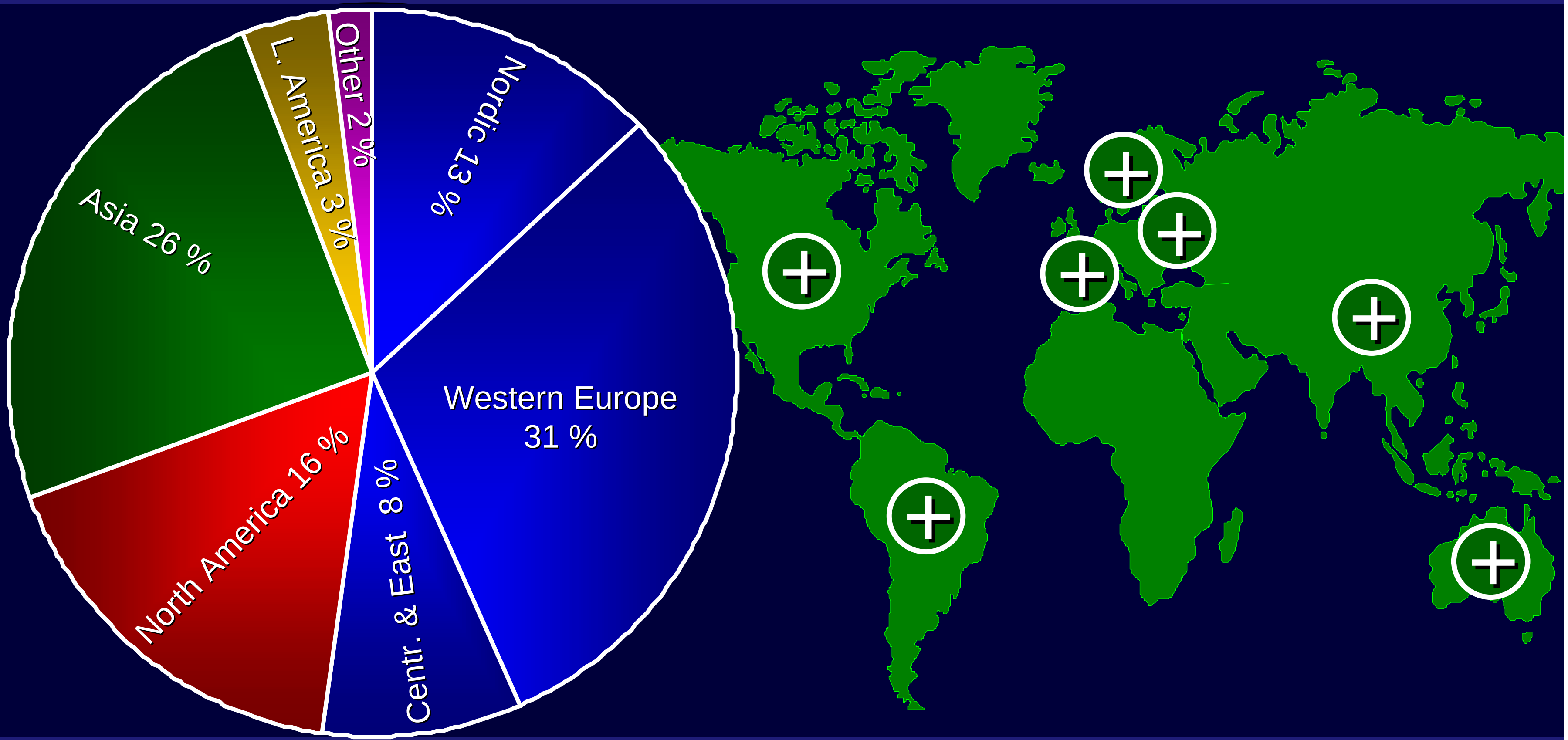
- Alfa Laval Inc. was co-defendant in 143 asbestos-related lawsuits with approximately 21,200 plaintiffs.

Orders received by Segment



January – June 2004

Orders received by Region



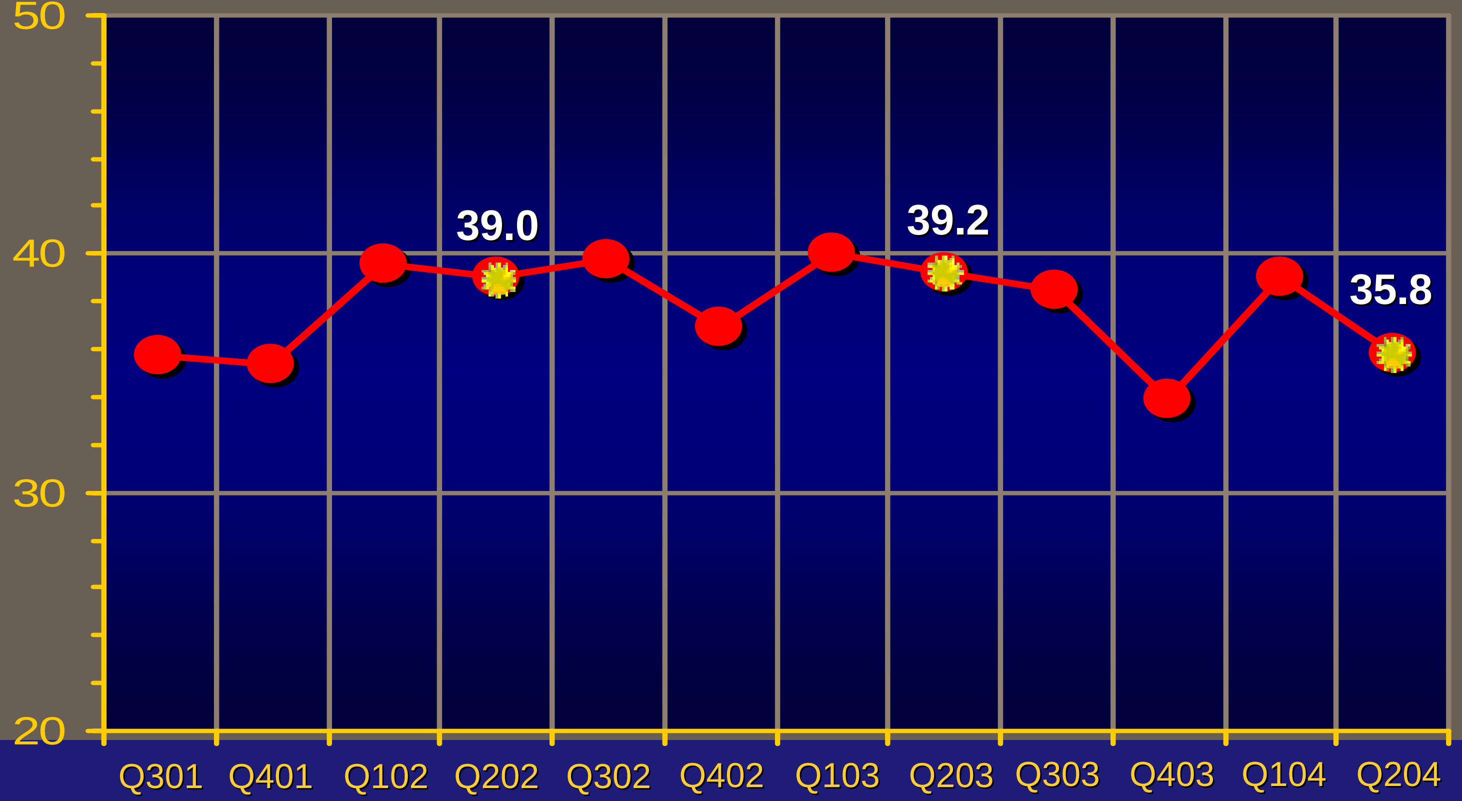
January – June 2004

Consolidated Profit and Loss

MSEK	H1 2004	H1 2003
Net sales	6,982	6,397
Adjusted EBITA	803	734
Amortization of goodwill and step-up	- 245	- 246
Comparison distortion items	- 14	4
Financial net	- 74	- 137
PBT	470	355
Taxes & minority	- 211	- 83
Net income	259	272

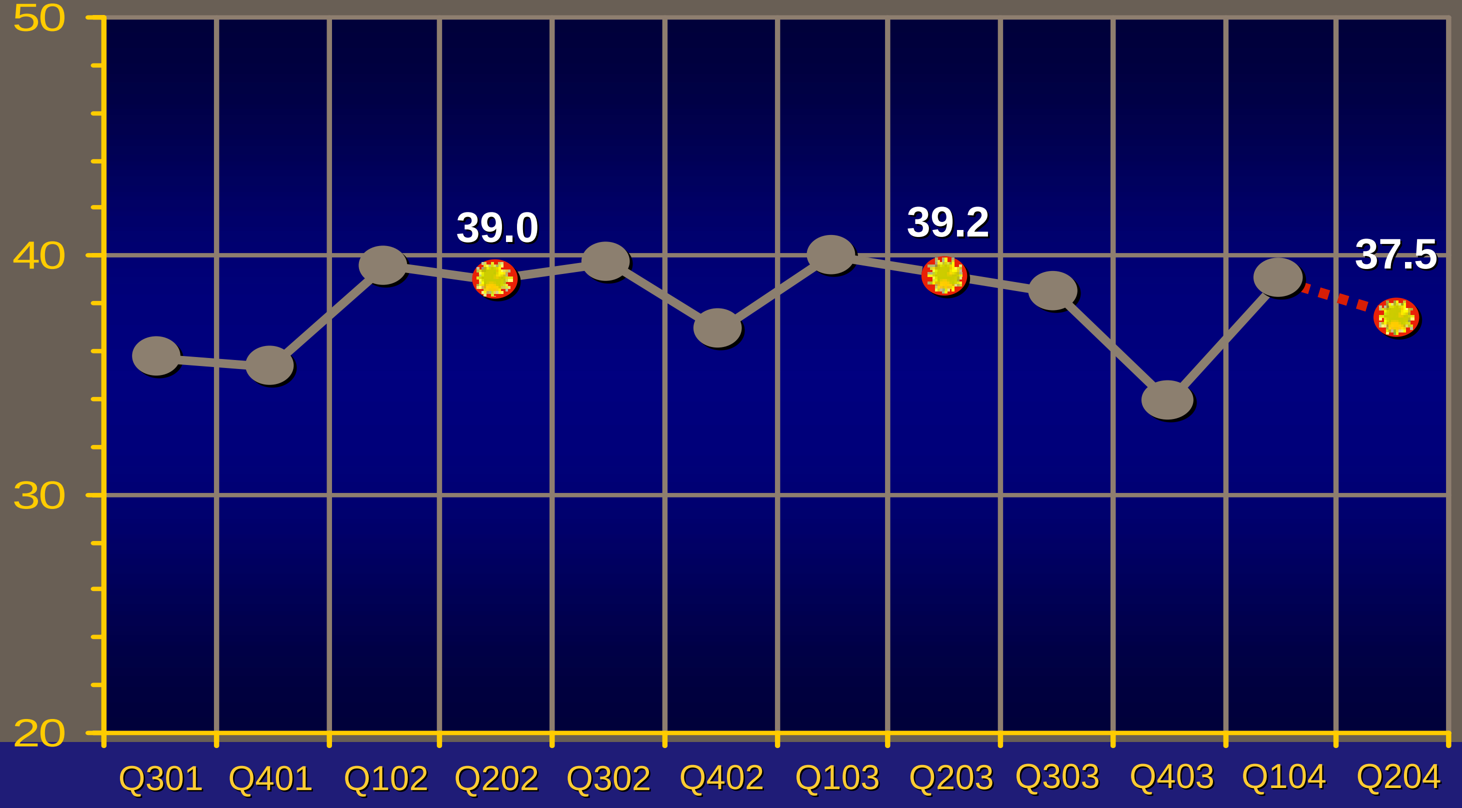
Gross profit margin

In percent of sales



Gross profit margin

In percent of sales, excluding transaction effects Q204



Taxes

MSEK	H1 2004
Profit after financial items, MSEK 470	
- taxes, 33 % average	- 155
Major adjustment items	
- goodwill, MSEK 121 - loss making countries, MSEK 136	- 85
Other items	+ 52
Taxes according to P&L	- 188
- in % of PBT	*40.0*

Cash-flow statement

MSEK	H1 2004	H1 2003
Cash flows from		
- operating activities	519	650
- investing activities	- 43	- 52
Financial net paid	- 68	- 147
Dividends	- 447	- 223
Total	- 39	228
Pro Forma Free-cash-flow*	318	469

**Incl. operating activities, capital expenditure, provisions and financial net paid.*

Earnings per share

	H1 2004	H1 2003
Earnings	2.32	2.44
Earnings excluding goodwill and step-up	4.08	4.22

Foreign exchange

Estimated impact on adjusted EBITA from Fx. fluctuations 2004 vs. 2003

MSEK	Q2	H1	H2 est*	WY est*
Translation effect	- 10	- 30	- 30	- 60
Transaction effect	- 65	- 113	- 127	- 240
Total	- 75	- 143	- 157	- 300

**Based on market exchange rates as per June 30, 2004. 1 EUR = 1.23 USD.*

Calendar

2004

September 7	Capital Markets Day, Copenhagen
October 21 ***(New date!)***	Interim Report Q3, 2004

2005

February 14	Interim Report Q4 and Year end Report, 2004
April 27	Interim Report Q1, 2005
April 27	Annual General Meeting, Lund
July 21	Interim Report Q2, 2005
October 25	Interim Report Q3, 2005

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.

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