



ALFA
ROMEO

The image features the Alfa Romeo logo in white on a dark blue background. The logo is composed of two horizontal stripes. The upper stripe contains the word "ALFA" in a stylized, bold, sans-serif font. The lower stripe contains the word "ROMEO" in the same font style. A thin white line runs horizontally through the center of the logo, separating the two words. The letters are slightly offset from the center line, creating a sense of depth and movement.



Interim Report Q2 2004

Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

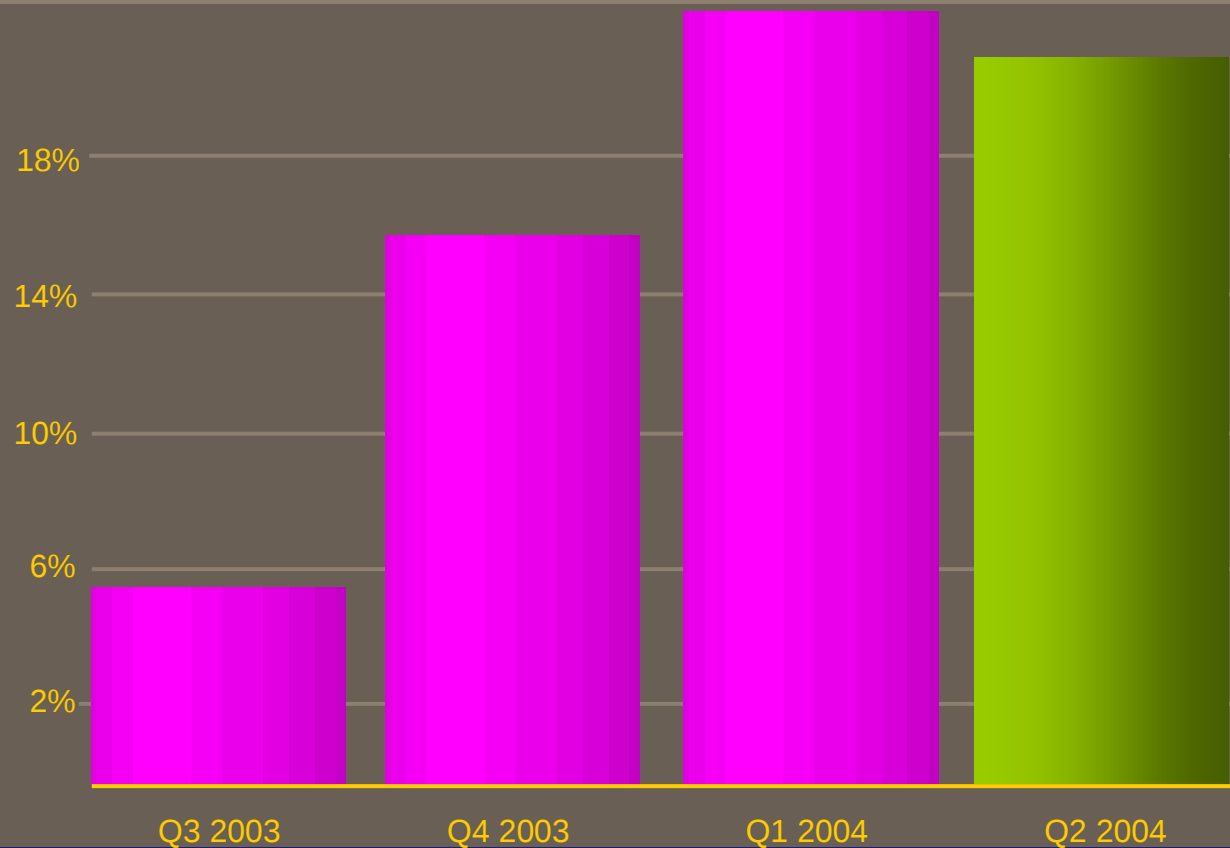
Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

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

Q on Q vs last year (excl FX)

Order intake

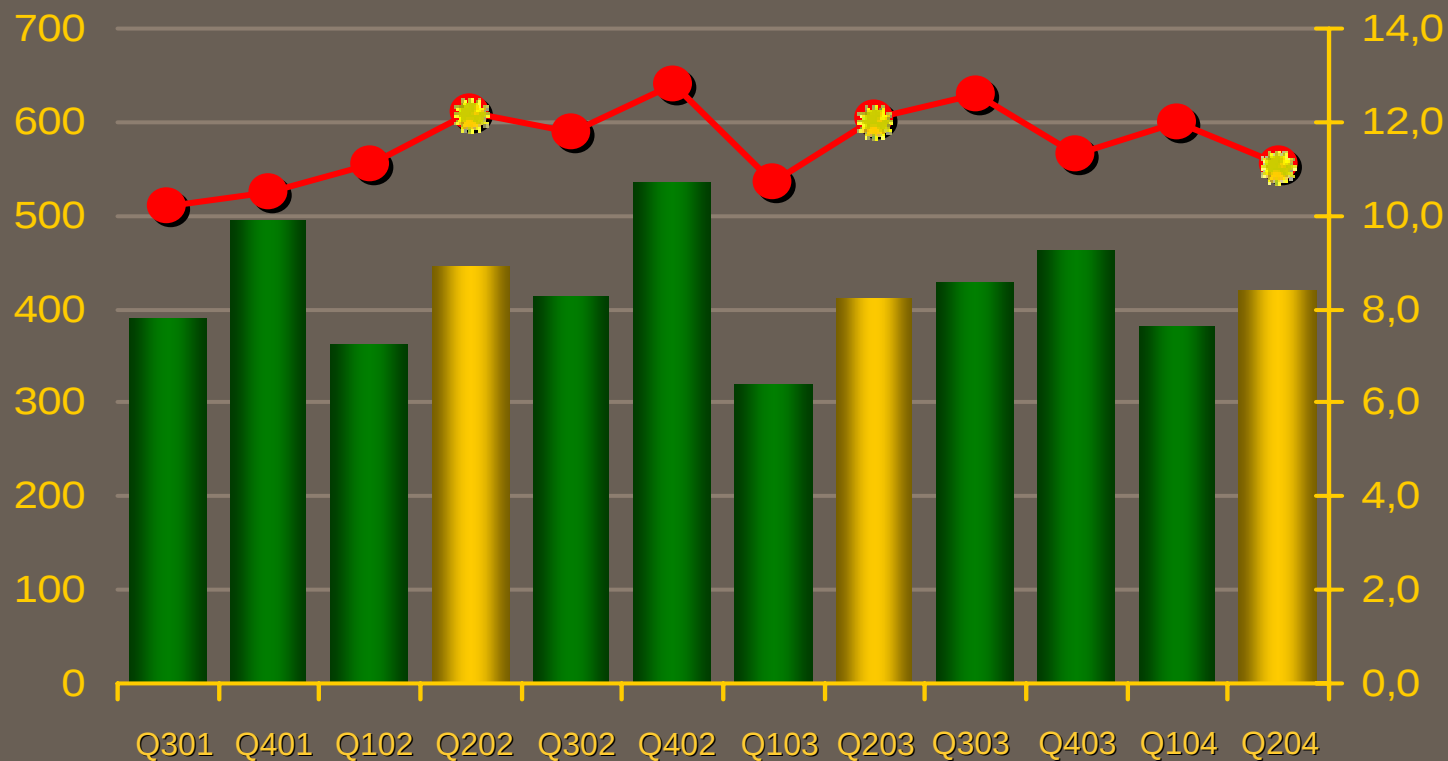


Highlights

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

Adjusted EBITA / 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
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	● Profit before tax:	259 MSEK

Highlights

Q204	● Order intake:	4,174 MSEK
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	● Profit before tax:	259 MSEK
H104	● Adjusted EBITA / margin:	803 MSEK / 11.5 %

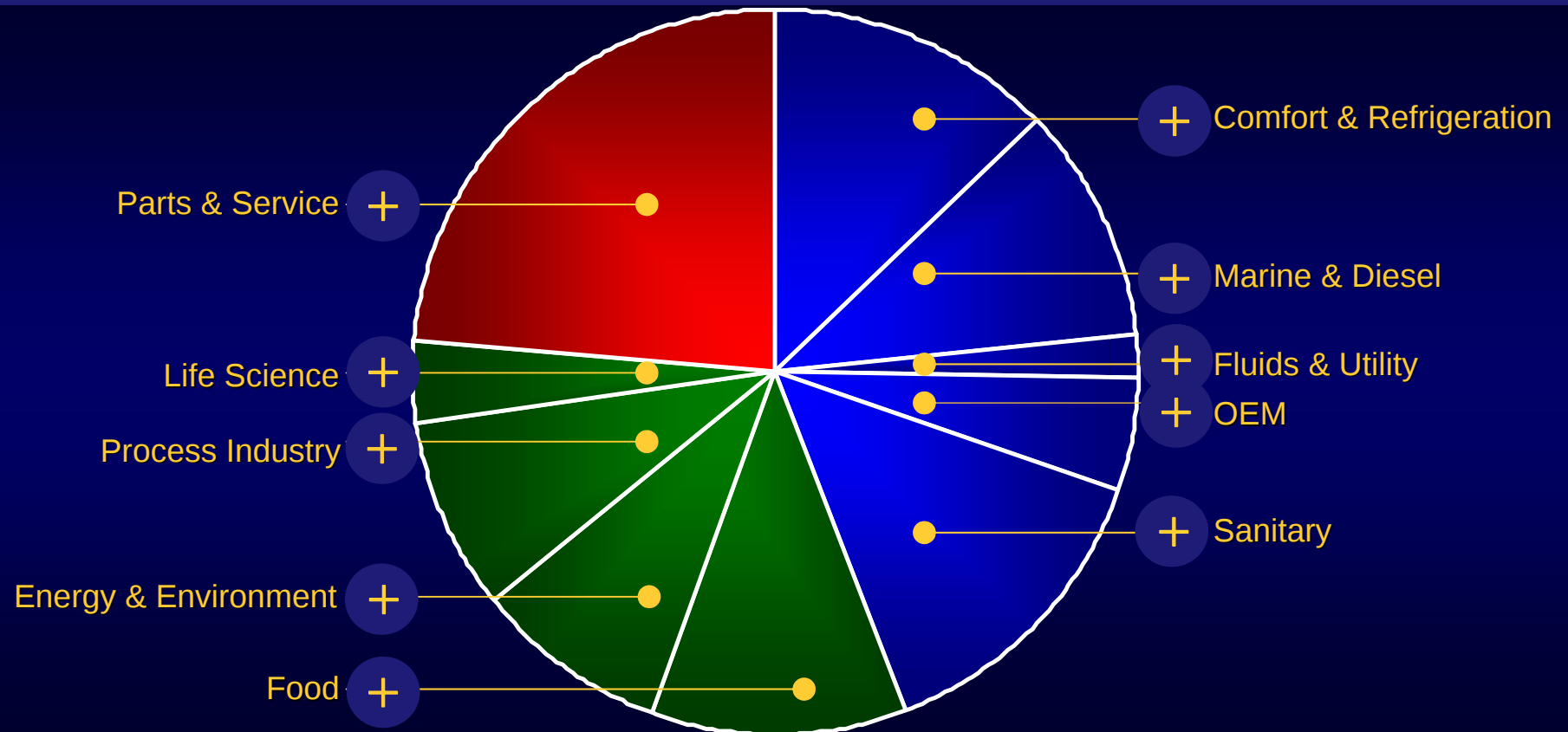
Highlights

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

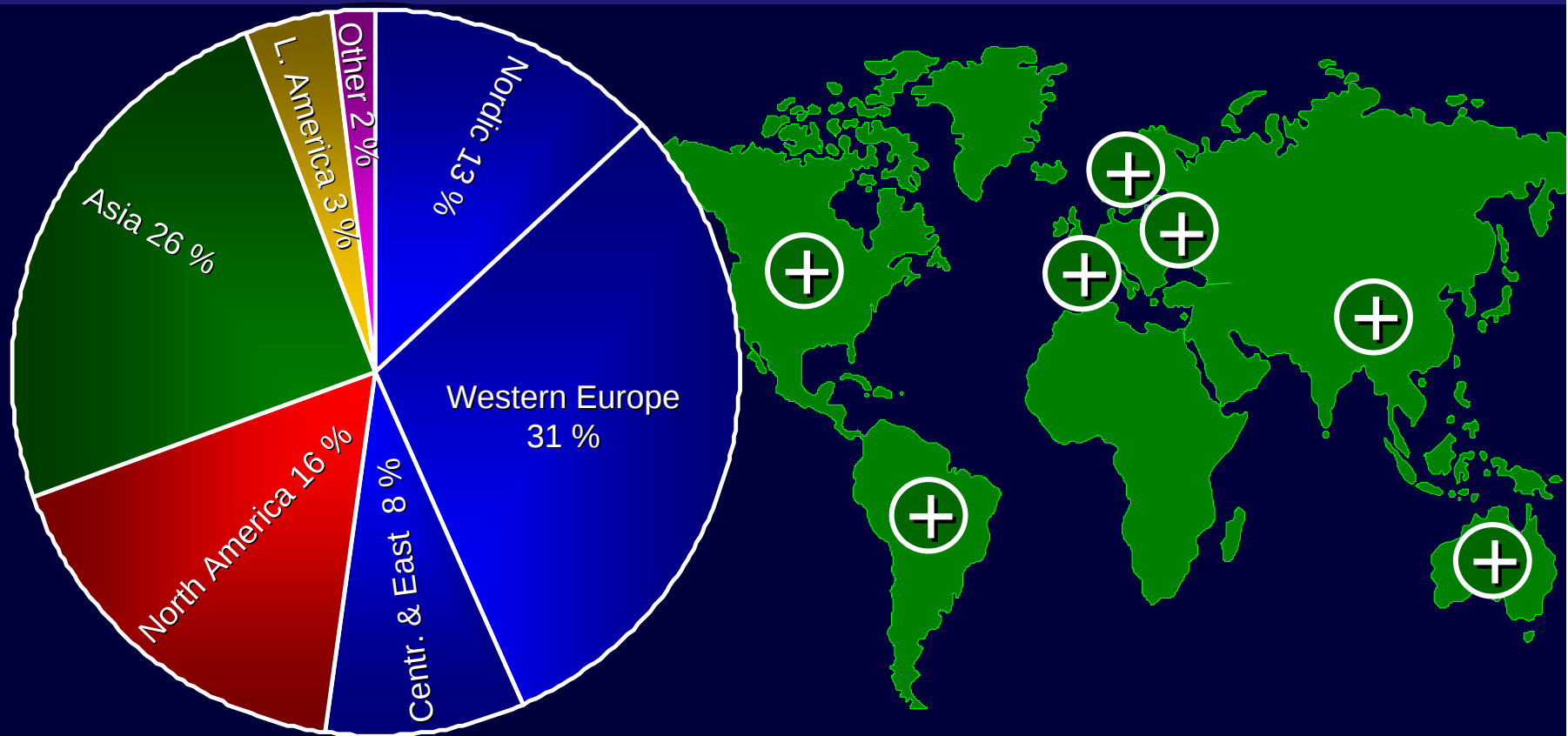
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	● Profit before tax:	470 MSEK
	● Cash flow from operating activities:	519 MSEK
	● ROCE:	22.5 %
	● Alfa Laval Inc. was co-defendant in 143 asbestos-related lawsuits with approximately 21,200 plaintiffs.	

Orders received by Segment



January – June 2004

Orders received by Region



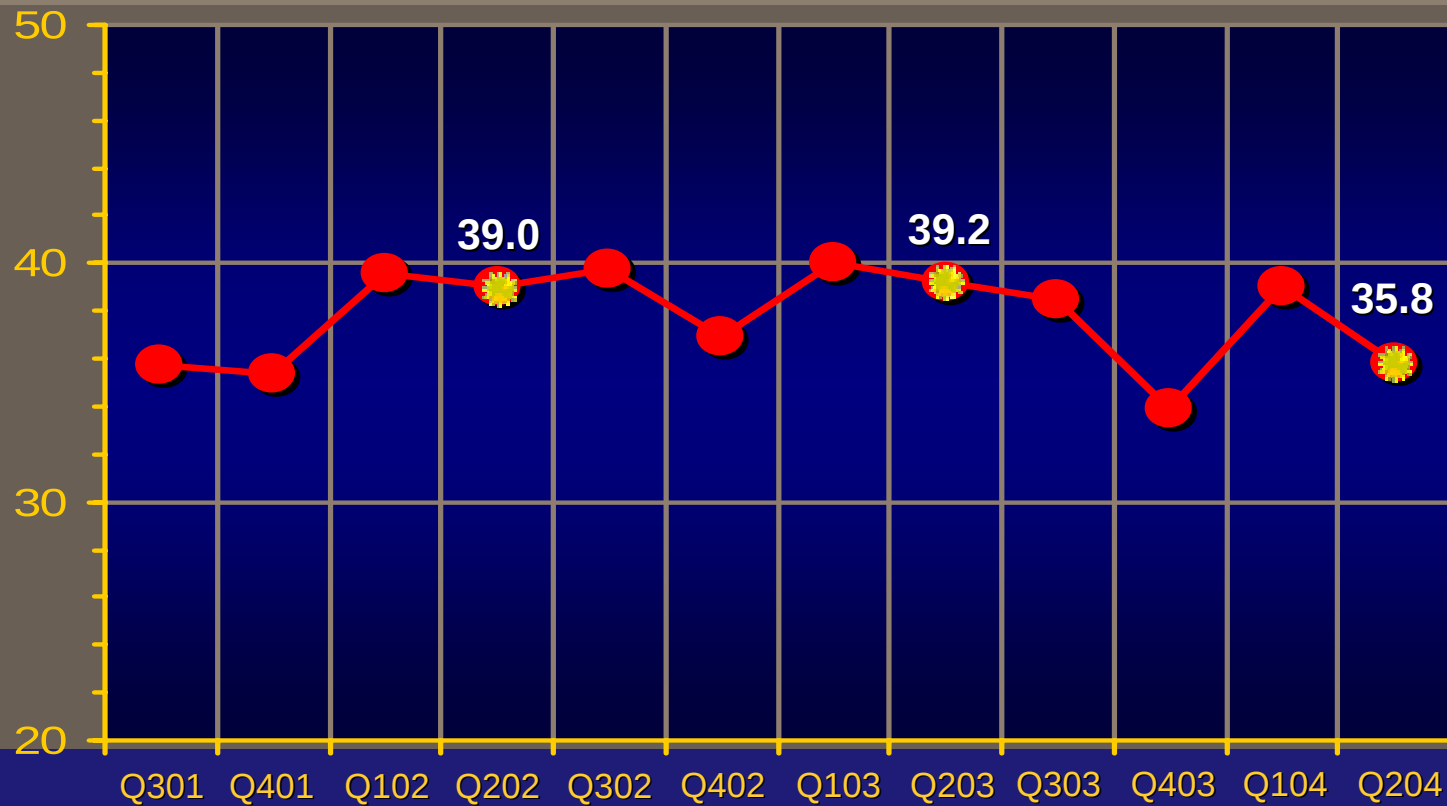
January – June 2004

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

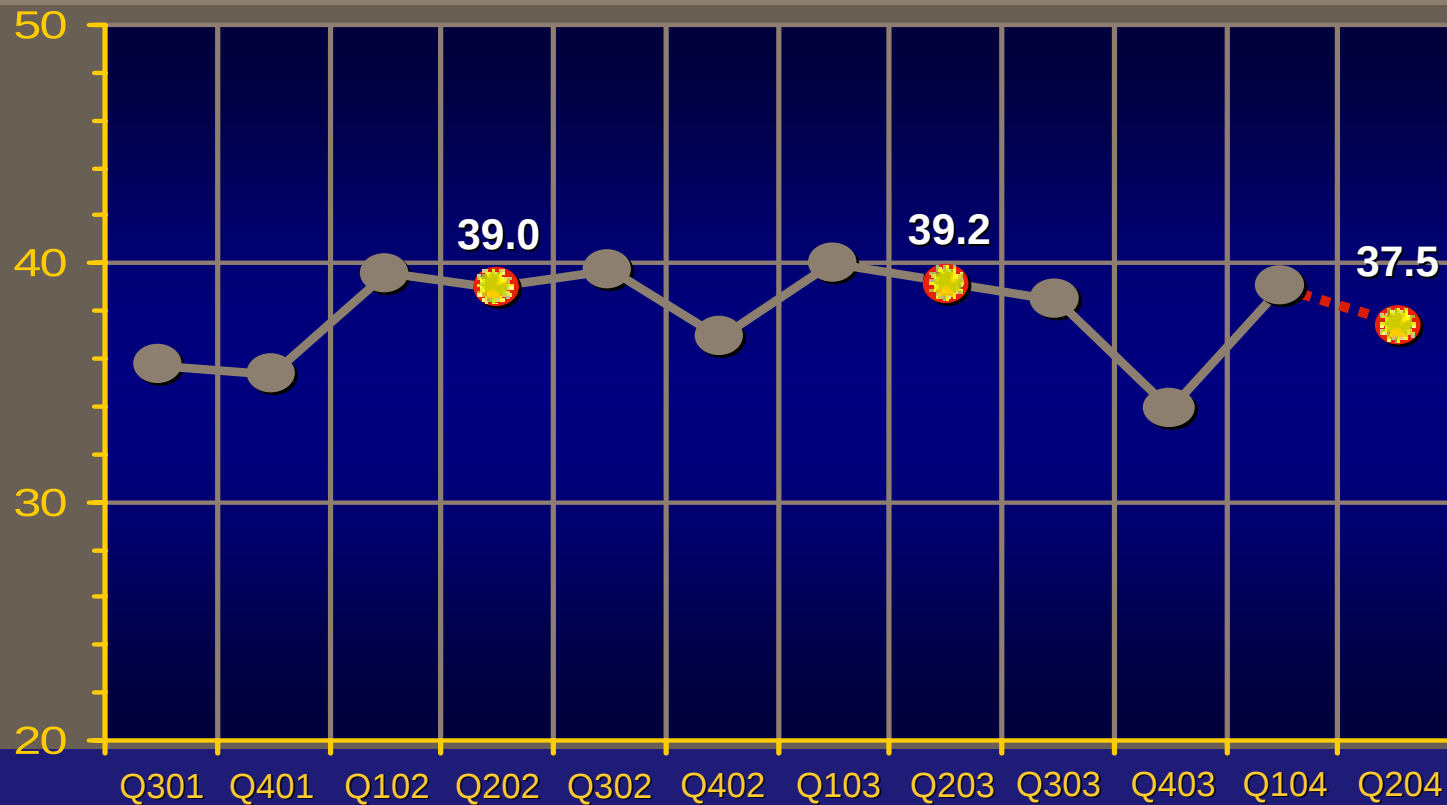
Gross profit margin

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	}	- 85
- loss making countries, MSEK 136			

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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ROMEO

The image features the Alfa Romeo logo in white on a dark blue background. The logo is composed of two lines of stylized, blocky letters. The top line reads 'ALFA' and the bottom line reads 'ROMEO'. A thin white horizontal line runs through the middle of the letters, and a thin white curved line arches over the top of the letters.