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Interim Report Q1 2004

Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

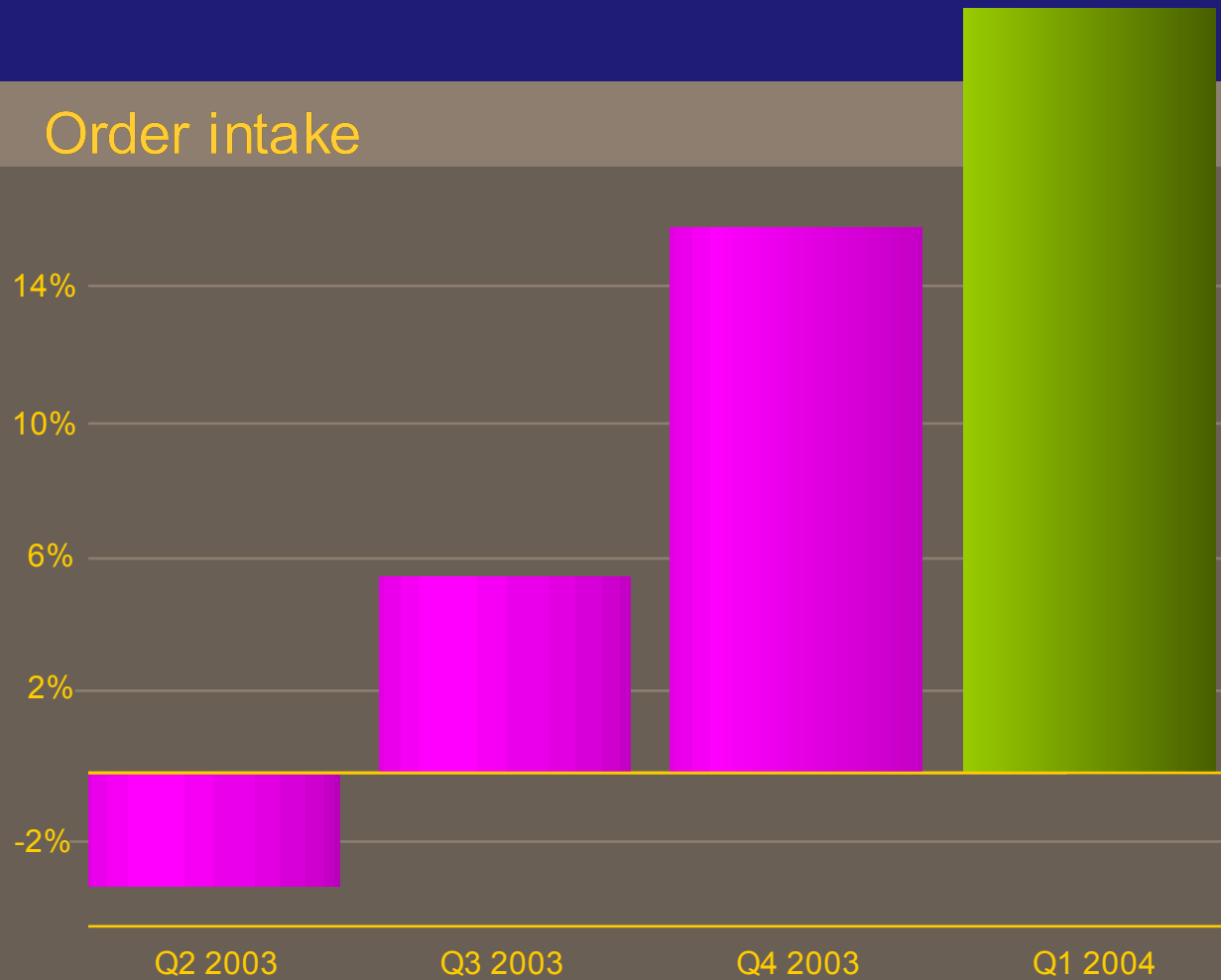
Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

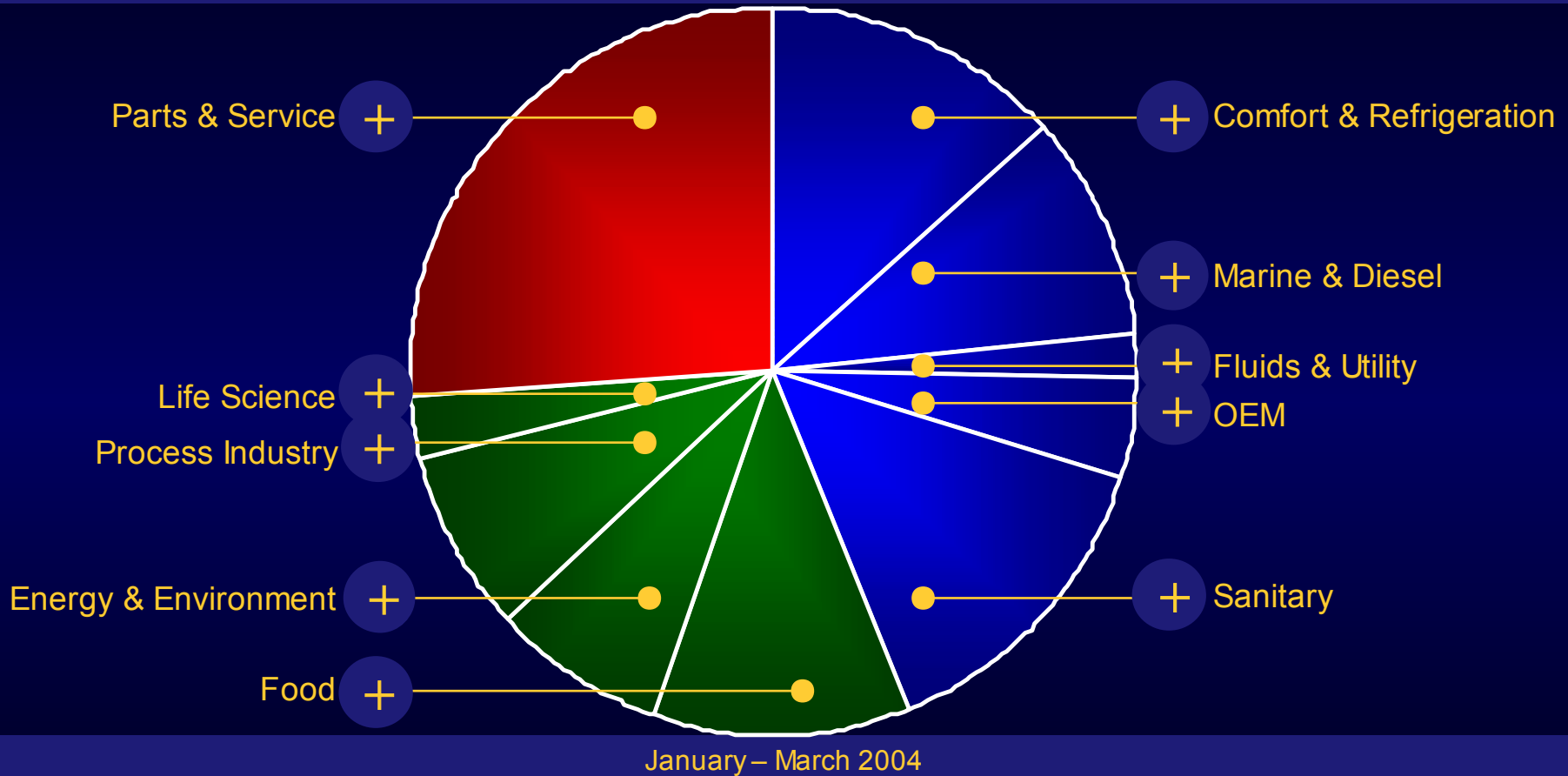
Q104	● Order intake:	3,929 MSEK
	● Net sales:	3,184 MSEK

Q on Q vs last year (excl FX)

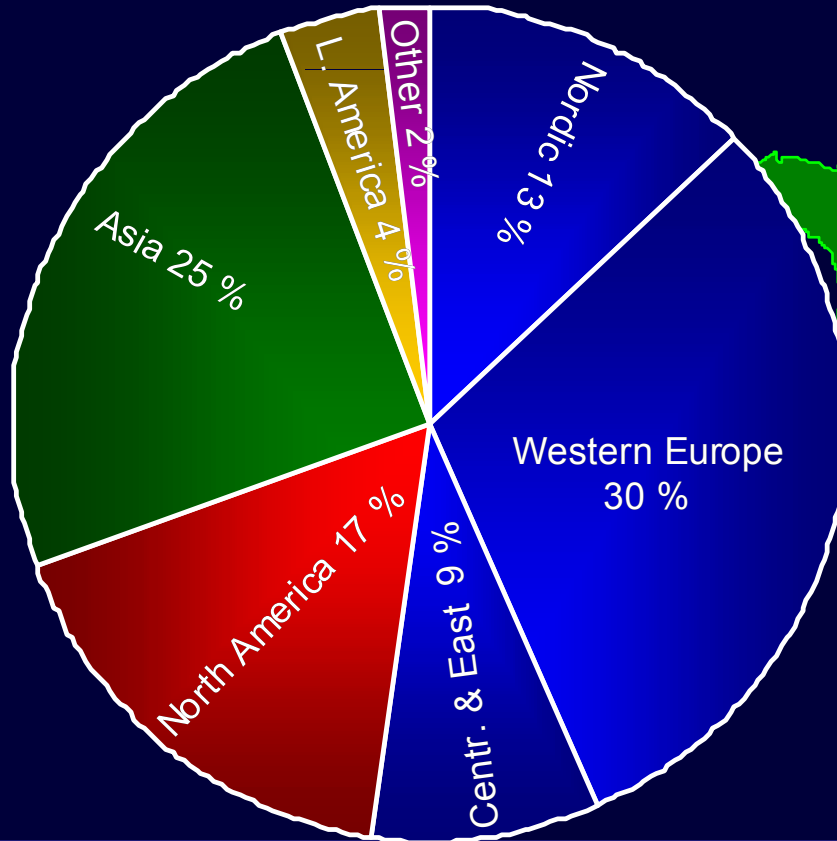
Order intake



Orders received by Segment



Orders received by Region



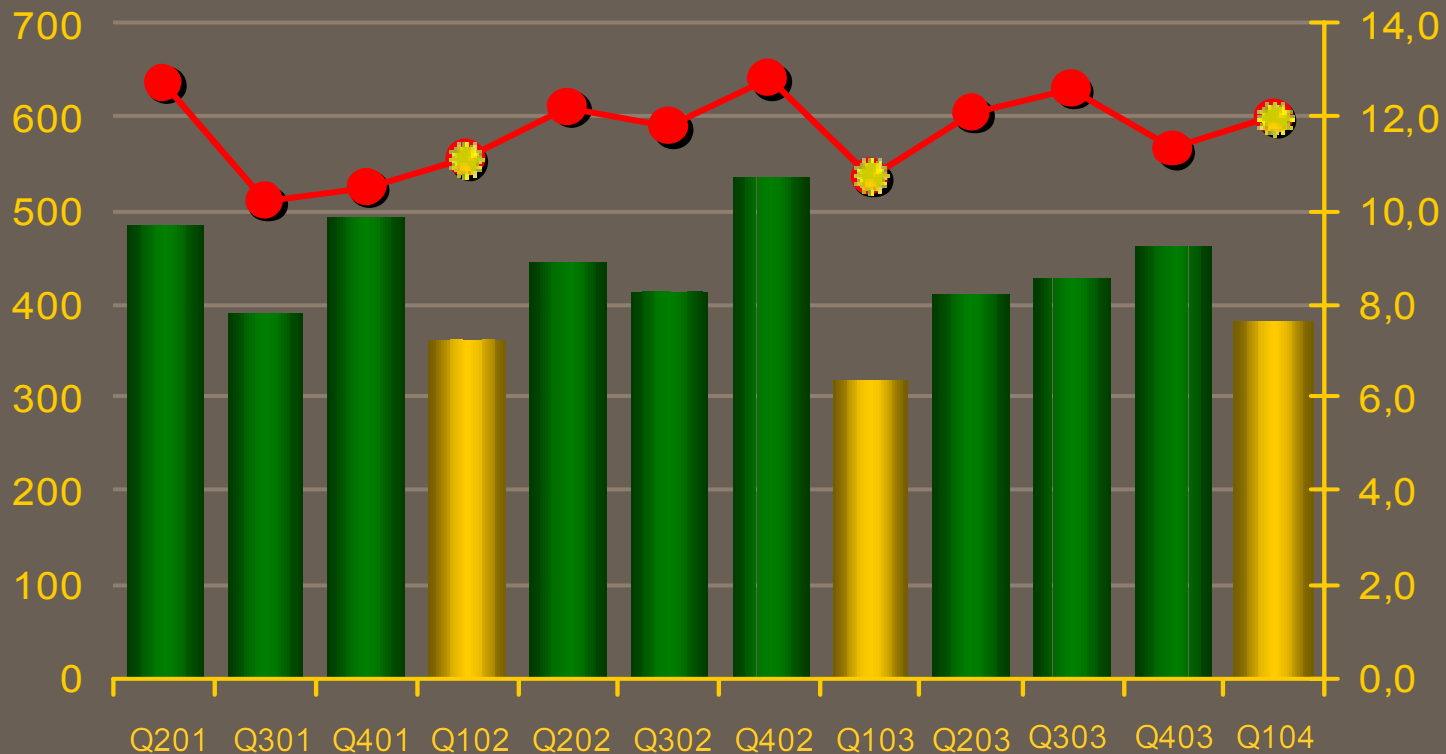
January – March 2004

Highlights

Q104	● Order intake:	3,929 MSEK
	● Net sales:	3,184 MSEK
	● Adjusted EBITA / margin:	383 MSEK / 12.0 %

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	Q1
2003	321
2004	383
Deviation	62
FX. translation	20
FX. transaction	48
Deviation excl FX	130

Highlights

Q104	● Order intake:	3,929 MSEK
	● Net sales:	3,184 MSEK
	● Adjusted EBITA / margin:	383 MSEK / 12.0 %
	● Profit before tax:	211 MSEK

Highlights

Q104	● Order intake:	3,929 MSEK
	● Net sales:	3,184 MSEK
	● Adjusted EBITA / margin:	383 MSEK / 12.0 %
	● Profit before tax:	211 MSEK
	● Cash flow from operating activities:	321 MSEK

Highlights

Q104	● Order intake:	3,929 MSEK
	● Net sales:	3,184 MSEK
	● Adjusted EBITA / margin:	383 MSEK / 12.0 %
	● Profit before tax:	211 MSEK
	● Cash flow from operating activities:	321 MSEK
	● ROCE:	22.0 %

Highlights

- Q104
- Order intake: 3,929 MSEK
 - Net sales: 3,184 MSEK
 - Adjusted EBITA / margin: 383 MSEK / 12.0 %
 - Profit before tax: 211 MSEK
 - Cash flow from operating activities: 321 MSEK
 - ROCE: 22.0 %
 - Asbestos-related lawsuits in the United States

Asbestos-related lawsuits in the US

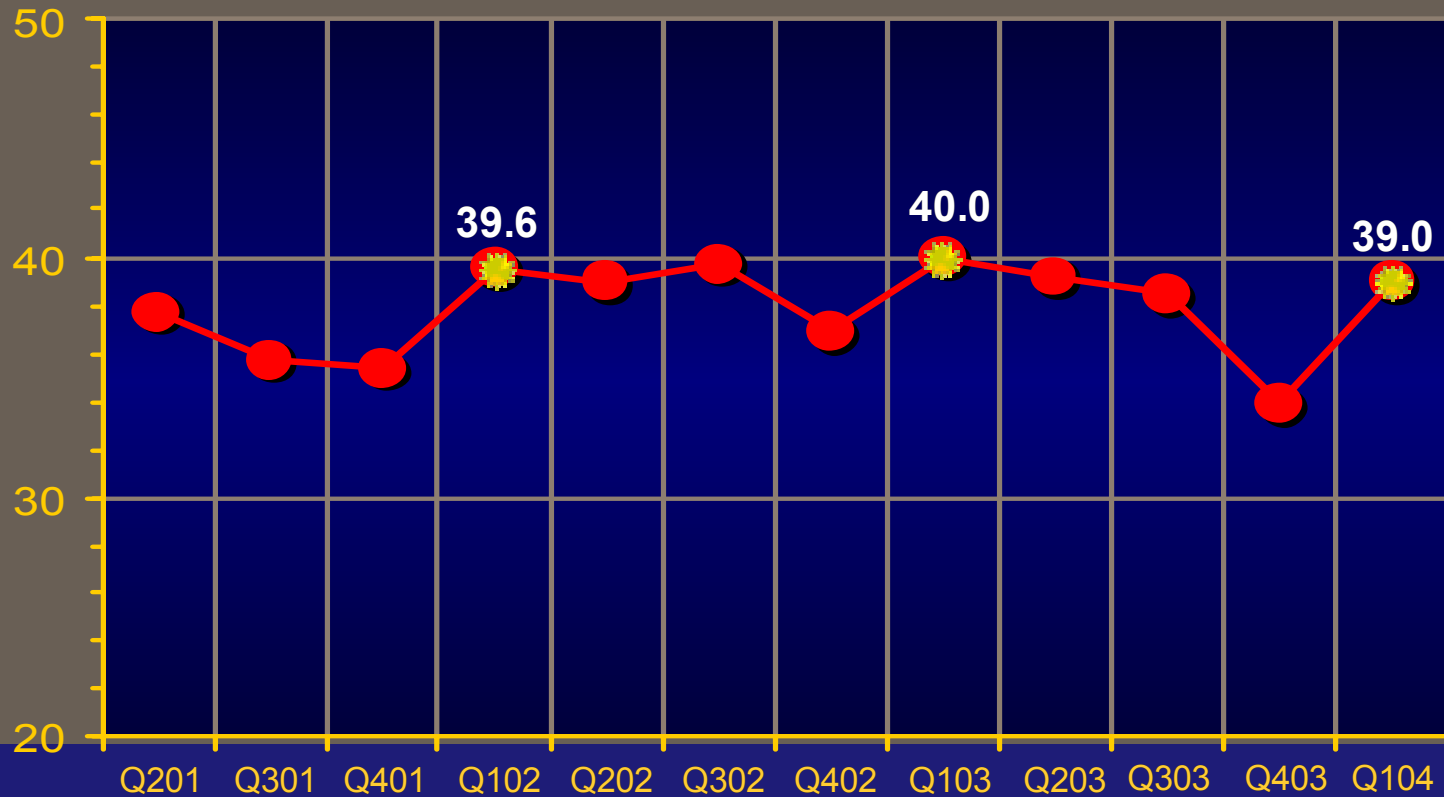
- **Alfa Laval Inc. was as of March 31, 2004 named co-defendant in a total of 131 asbestos-related lawsuits with a total of approximately 20,000 plaintiffs. The lawsuits filed in Mississippi account for approximately 99% of all plaintiffs.**
- **Alfa Laval continues to believe:**
 - that claims and defense costs against Alfa Laval Inc. will be covered by insurance policies;
 - that these lawsuits will not have a material adverse effect on the company's financial condition or result of operation.

Consolidated Profit and Loss

<u>MSEK</u>	<u>Q1 2004</u>	<u>Q1 2003</u>
Net sales	3,184	2,995
Adjusted EBITA	383	321
Amortization of goodwill and step-up	- 124	- 124
Comparison distortion items	- 14	4
Financial net	- 35	- 60
PBT	211	142
Taxes & minority	- 106	- 44
Net income	105	98

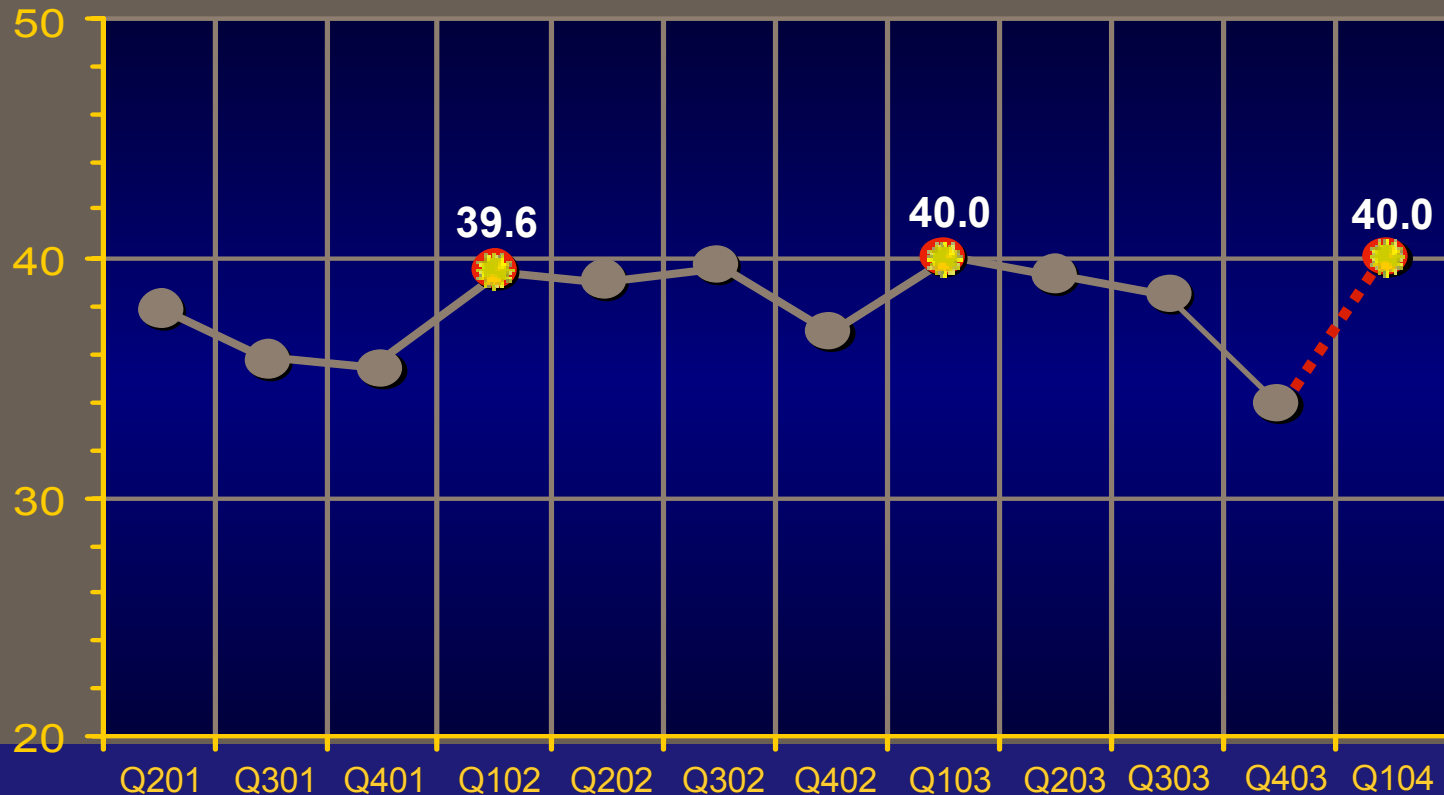
Gross profit margin

In percent of sales

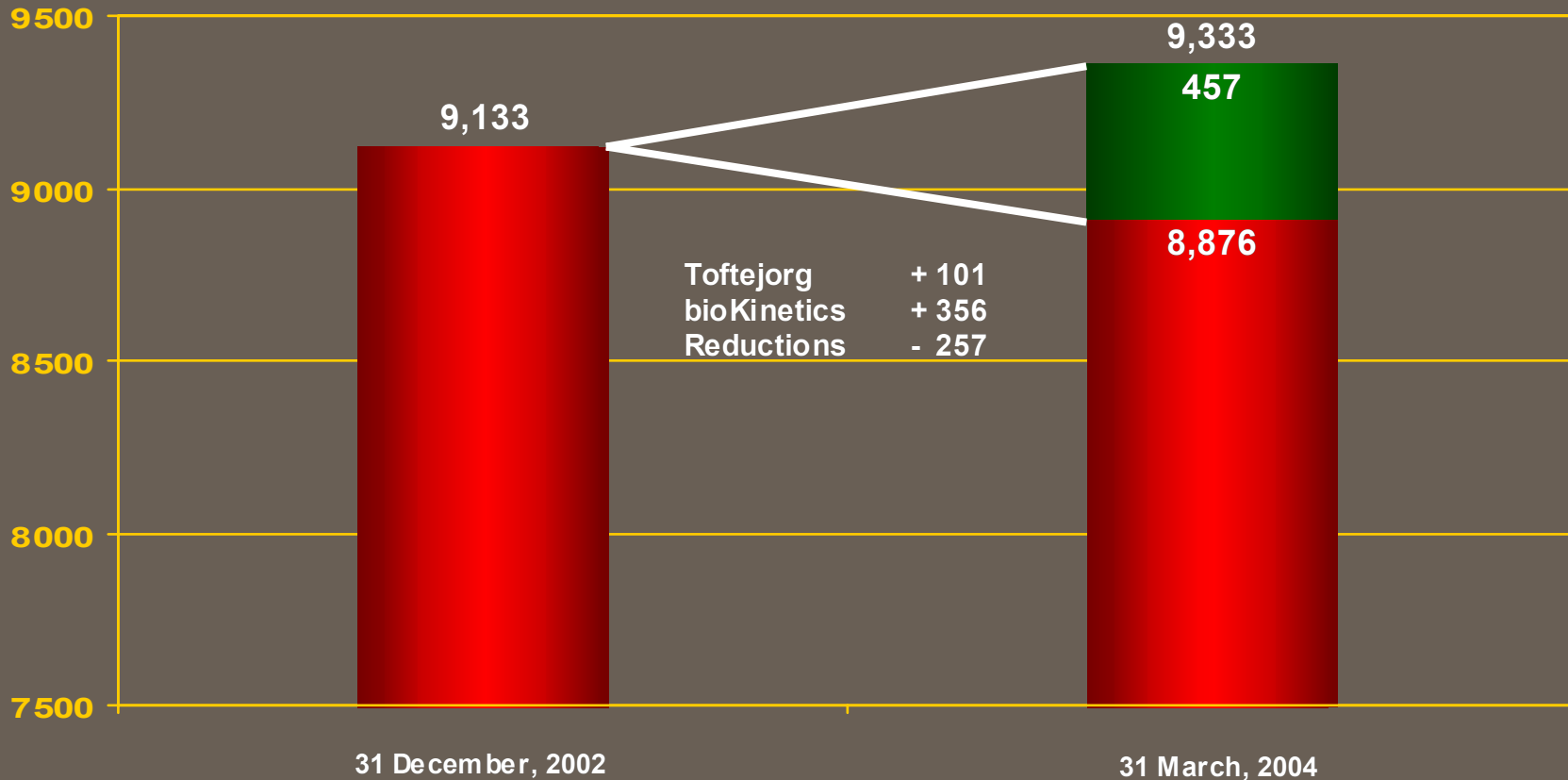


Gross profit margin

In percent of sales, excluding transaction effects Q104



Number of employees



Taxes

	Jan-Mar 2004
MSEK	
Profit after financial items, MSEK 211	
- taxes, 33 % average	- 70
Major adjustment items	
- goodwill, MSEK 49	} - 44
- loss making countries, MSEK 84	
Other items	+ 22
	<hr/>
Taxes according to P&L	- 92
- in % of PBT	43.6

Cash-flow statement

MSEK	Q1 2004	Q1 2003
Cash flows from		
- operating activities	321	215
- investing activities	- 67	- 72
Financial net paid	- 44	- 21
Dividends	0	0
Total	210	122
Pro Forma Free-cash-flow*	204	137

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

Earnings per share

	Q1 2004	Q1 2003
Earnings	0.94	0.88
Earnings excluding goodwill and step-up	1.83	1.76

Foreign exchange

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

MSEK	Q1	Q2-Q4	WY
Translation effect	- 20	- 40	- 60
Transaction effect	- 48	- 187	- 235
Total	- 68	- 227	- 295

Based on market exchange rates as per March 31, 2004 and EUR/USD of 1.20

Outlook 2004

Alfa Laval is expecting that ...

... the recovery during the second half of 2003 will continue during 2004.

... the increase of orders received will be strong.

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

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