

ALFA
LFA

Interim report Q303

Mr. Sigge Haraldsson
President and CEO
Alfa Laval Group

Mr. Thomas Thuresson
CFO
Alfa Laval Group

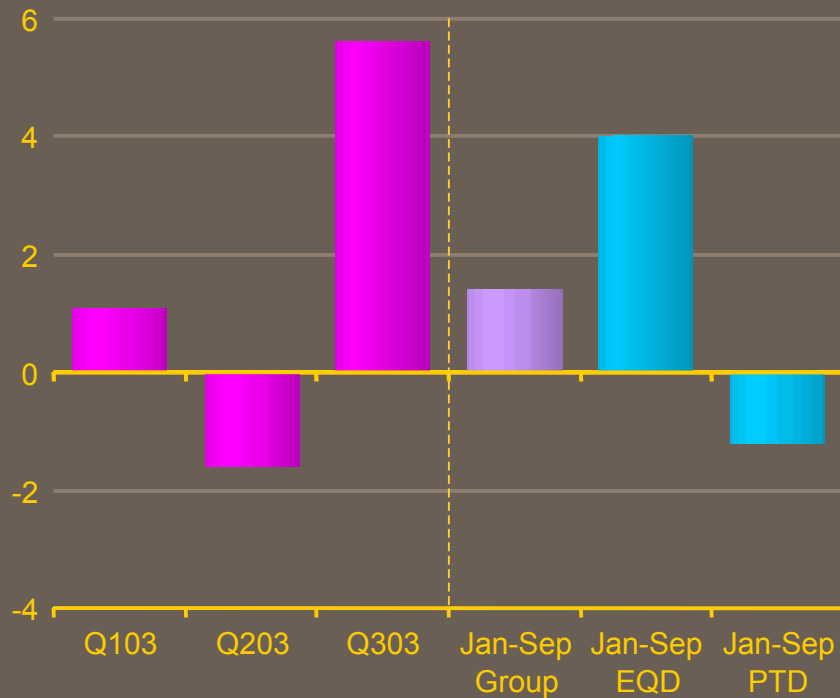
Highlights

Q303

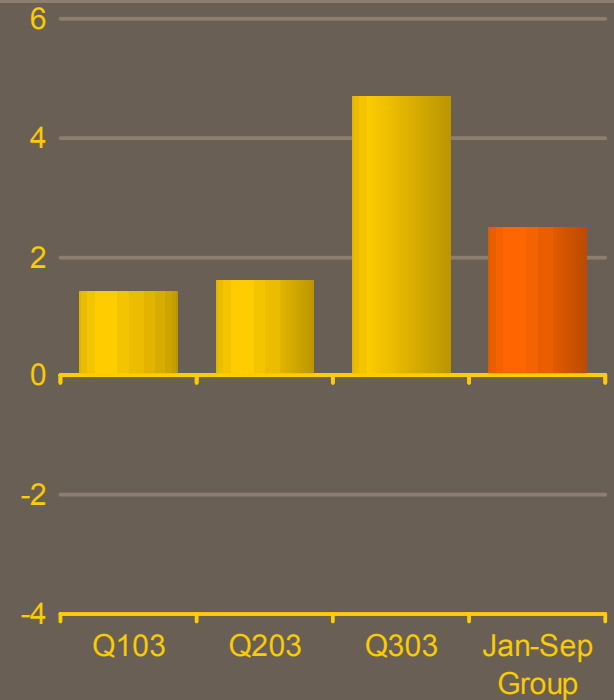
- Order intake: 3,463 MSEK
- Net sales: 3,426 MSEK

Q on Q vs. last year (excl FX)

Orders received



Net sales

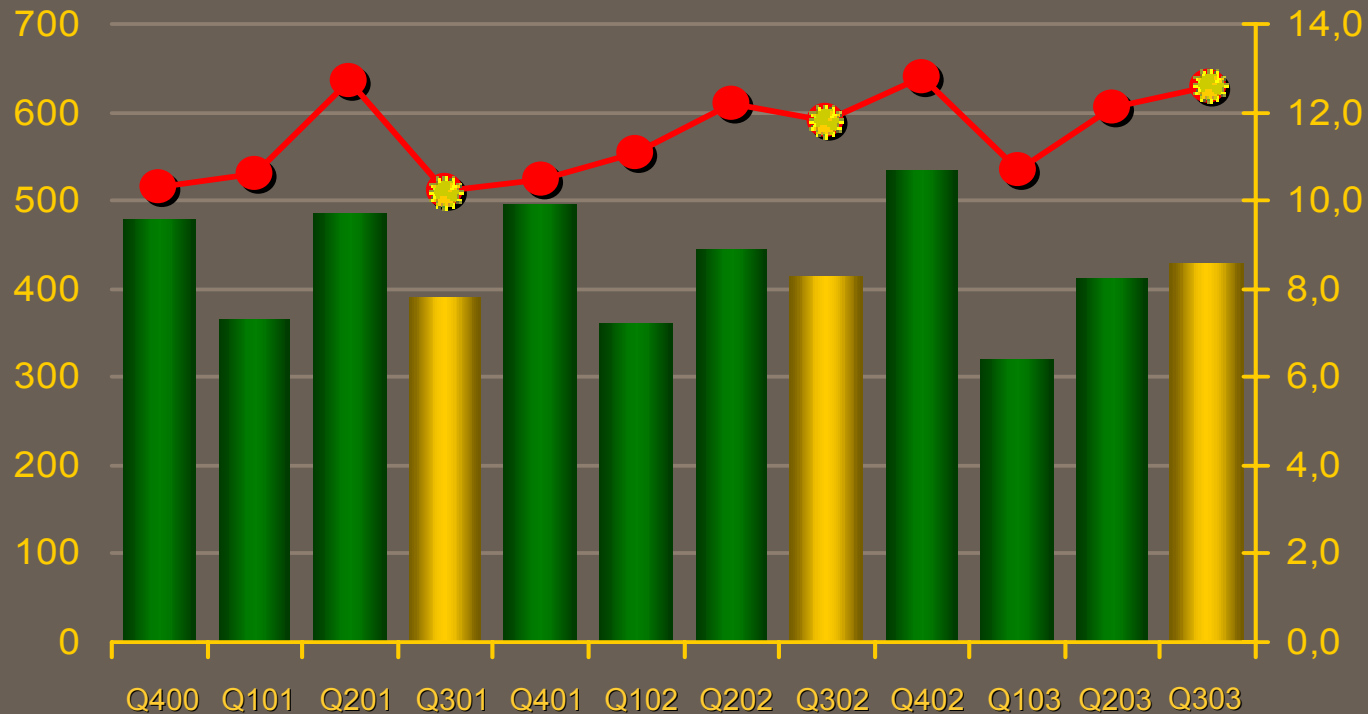


Highlights

Q303	● Order intake:	3,463 MSEK
	● Net sales:	3,426 MSEK
	● Adjusted EBITA / margin:	430 MSEK / 12.6 %

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."

Highlights

Q303	● Order intake:	3,463 MSEK
	● Net sales:	3,426 MSEK
	● Adjusted EBITA / margin:	430 MSEK / 12.6 %
	● Profit before tax:	191 MSEK

Highlights

Q303	● Order intake:	3,463 MSEK
	● Net sales:	3,426 MSEK
	● Adjusted EBITA / margin:	430 MSEK / 12.6 %
	● Profit before tax:	191 MSEK

Jan-Sep 2003

	● Adjusted EBITA / margin:	1,164 MSEK / 11.8 %
--	----------------------------	---------------------

Adjusted EBITA

MSEK	Q303	Jan – Sep 2003
2002	414	1,220
2003	430	1,164
Deviation	+ 16	- 56
FX. translation	32	92
FX. transaction	5	60
Deviation excl FX	+ 53	+ 96

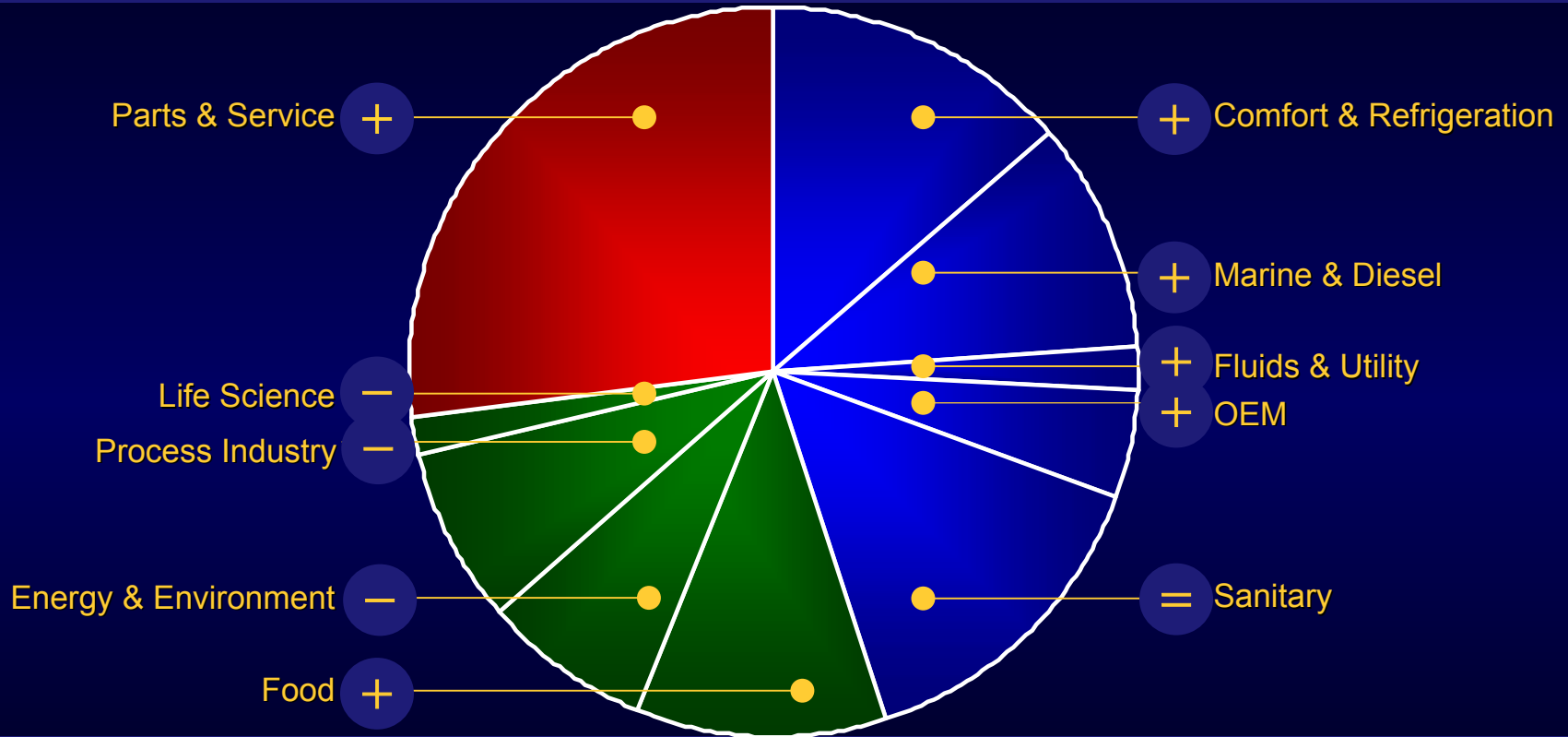
Highlights

Q303	● Order intake:	3,463 MSEK
	● Net sales:	3,426 MSEK
	● Adjusted EBITA / margin:	430 MSEK / 12.6 %
	● Profit before tax:	191 MSEK

Jan-Sep 2003

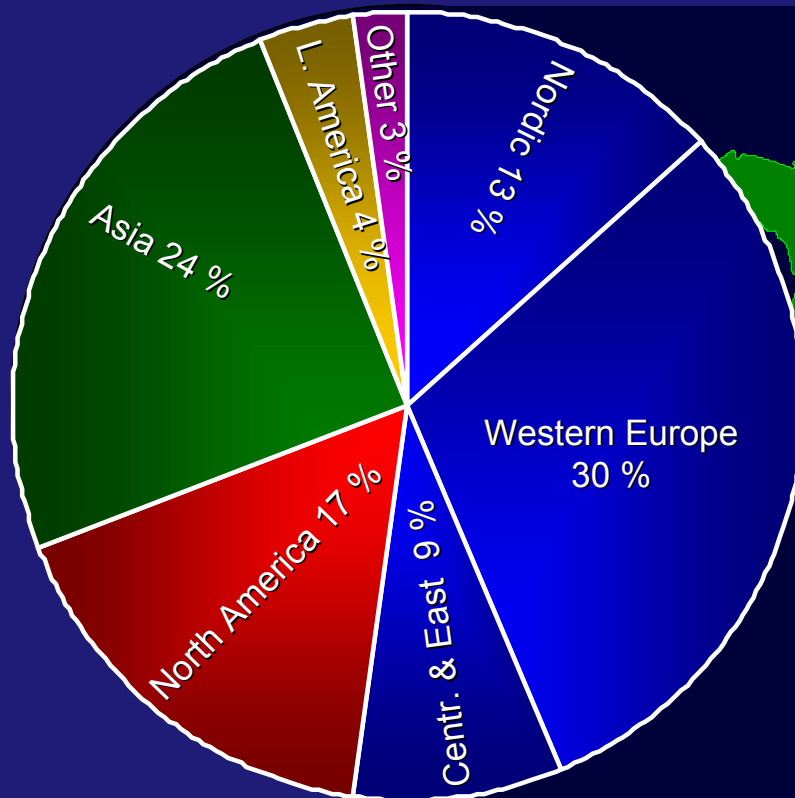
	● Adjusted EBITA / margin:	1,164 MSEK / 11.8 %
	● Profit before tax:	542 MSEK
	● Cash flow from operating activities:	1,024 MSEK
	● ROCE:	21.5 %

Orders received by Segment

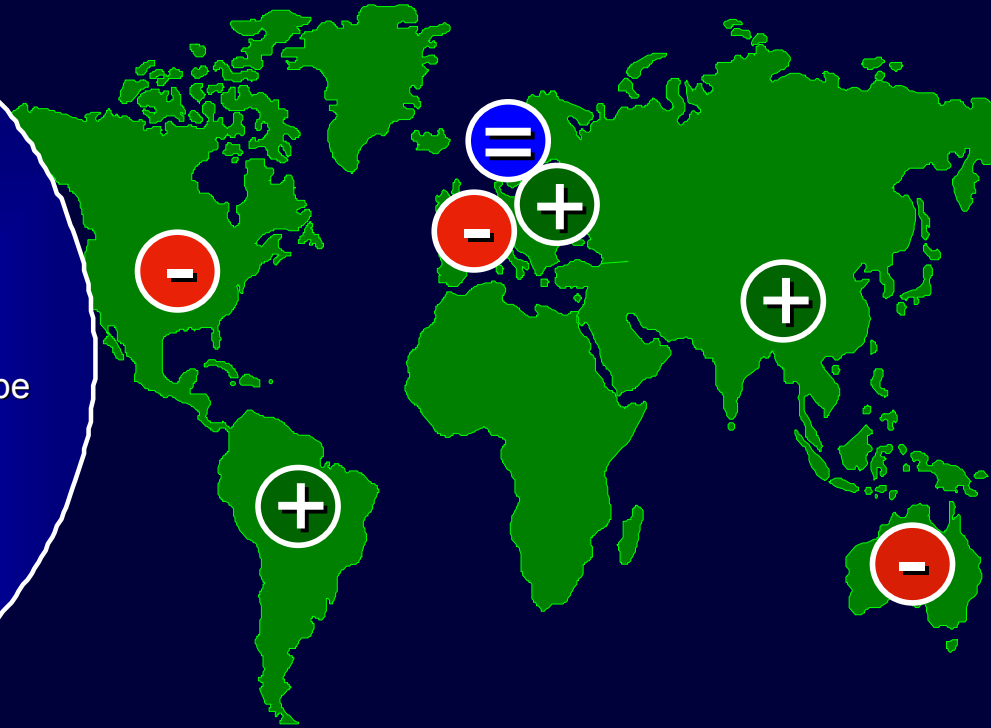


January – September 2003

Orders received by Region



January – September 2003



Highlights

Q303	● Order intake:	3,463 MSEK
	● Net sales:	3,426 MSEK
	● Adjusted EBITA / margin:	430 MSEK / 12.6 %
	● Profit before tax:	191 MSEK

Jan-Sep 2003

	● Adjusted EBITA / margin:	1,164 MSEK / 11.8 %
	● Profit before tax:	542 MSEK
	● Cash flow from operating activities:	1,024 MSEK
	● ROCE:	21.5 %
	● Asbestos-related lawsuits in the United States	

Asbestos-related lawsuits in the US

- **Alfa Laval Inc. was as of September 30, 2003 named co-defendant in a total of 121 asbestos-related lawsuits with a total of approximately 20,300 plaintiffs. The lawsuits filed in Mississippi account for approximately 99% of all plaintiffs.**
- **Developments between June 30 and September 30, 2003:**
 - 11 lawsuits have been resolved during the period, which gives a grand total of 63 lawsuits that have been resolved;
 - 23 additional lawsuits with a total of approximately 180 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>Jan-Sep 2003</u>	<u>Jan-Sep 2002</u>
Net sales	9,823	10,420
Adjusted EBITA	1,164	1,220
Amortization of goodwill and step-up	- 370	- 381
Comparison distortion items	+ 4	- 333
Financial net	- 256	- 480
PBT	542	26
Taxes & minority	- 129	- 203
Net income	413	- 176

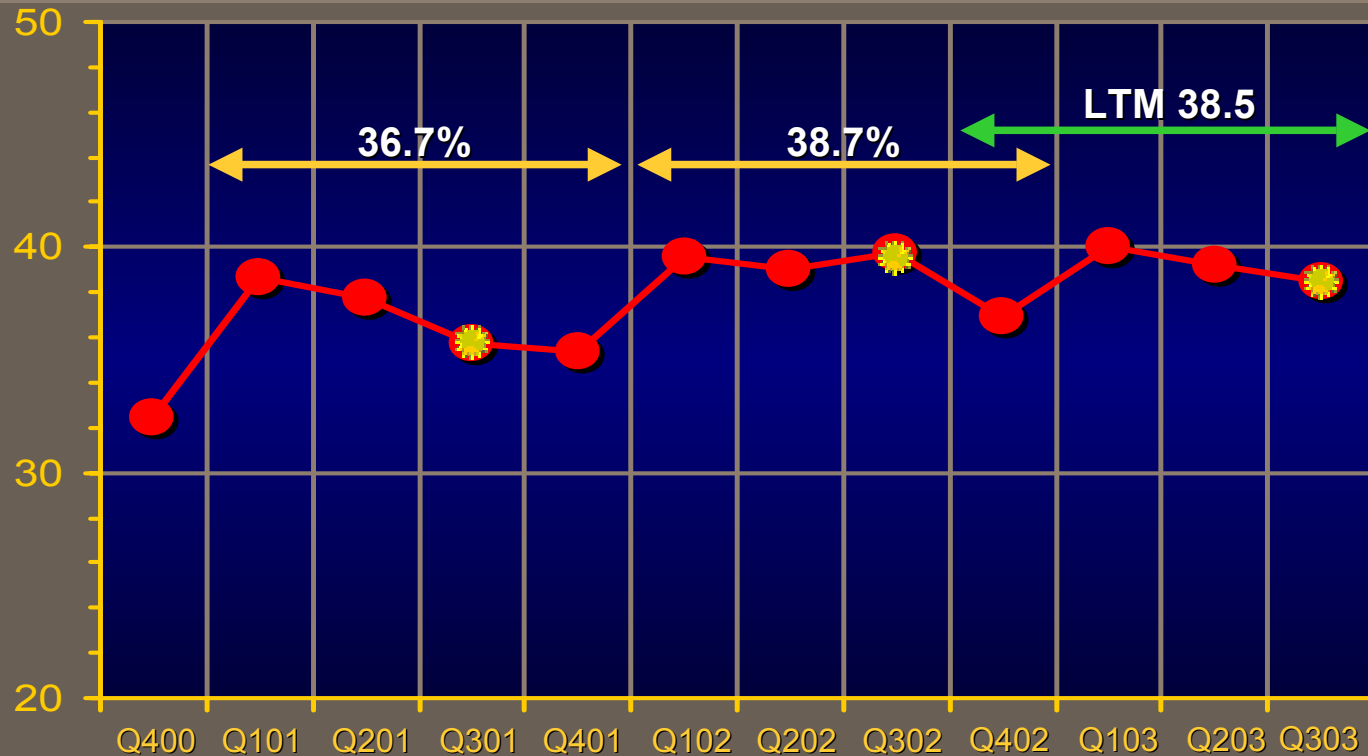
Foreign exchange

Impact from Fx. Fluctuations, January-September 2003 vs. 2002

MSEK	Adjusted EBITA	Profit Before Tax
Translation effect	- 92	- 78
Transaction effect	- 60	- 60
Total	- 152	- 138

Gross profit margin

In percent of sales



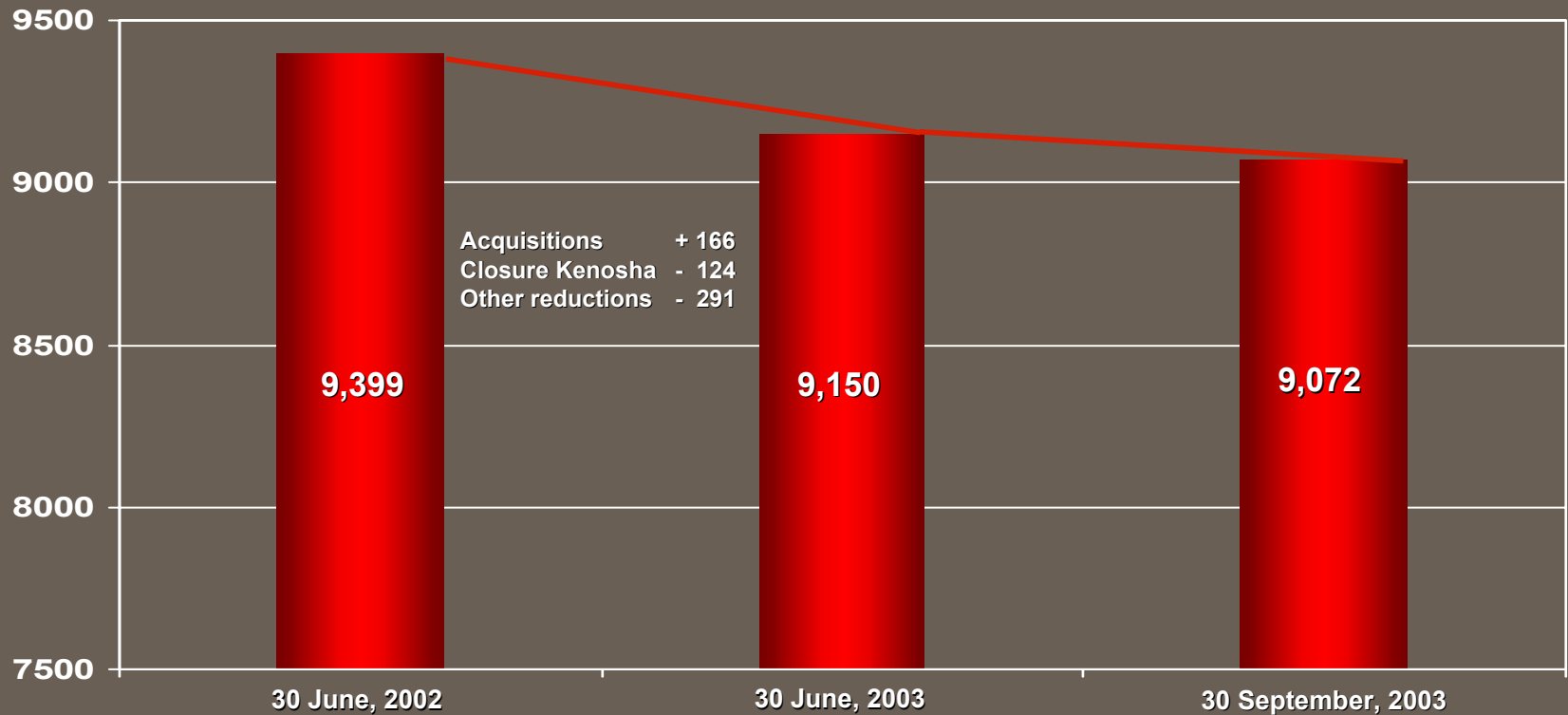
“Beyond Expectations”

- Other Projects
- BOM & NPR
- Org. re-design
- Shared Services
- Manufacturing



In the P&L, MSEK 750

Number of employees



Taxes

			Jan-Sep 2003
MSEK			
Profit after financial items, MSEK	542		
- taxes, 33 % average			- 179
Major adjustment items			
- goodwill,	MSEK 141	} 33%	- 124
- loss making countries,	MSEK 75		
- equity hedging,	MSEK 161		
Loss carry forwards, Sweden			+ 197
Other items			+ 7
			<hr/>
	Taxes according to P&L		99
	- in % of PBT		18.3

Foreign exchange

Estimated impact from Fx. fluctuations full year 2003 vs. 2002

MSEK	Adjusted EBITA	Profit Before Tax
Translation effect	- 95	- 80
Transaction effect	- 120	- 120
Total	- 215	- 200

Based on market exchange rates as per September 30, 2003

Cash-flow statement

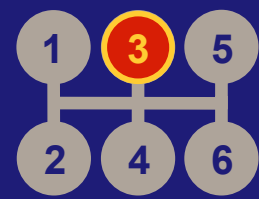
MSEK	Jan-Sep 2003	Jan-Sep 2002
Cash flows from		
- operating activities	1,024	1,344
- investing activities	- 28	- 733
Financial net paid	- 152	- 743
Dividends	- 223	-
<u>Total</u>	<u>621</u>	<u>- 133</u>
Pro Forma Free-cash-flow*	864	267

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

Earnings per share

	Jan-Sep 2003	Jan-Sep 2002	2002
Earnings	3.70	- 1.58	1.08
Earnings excluding goodwill and step-up	6.37	1.20	4.72

Based on the current number of shares



bioKinetics

- Consolidated in the Alfa Laval Group from October 2, 2003.
- North American leader in integrated process solutions for the biotech and pharmaceutical industries.
- Their offering includes bioreactor modules, cell harvesting modules, purification modules and biodeactivation modules.
- Annual sales 2002 about MSEK 550, 90% of its sales in the .U.S.
- Approx. 400 employees in R&D, engineering, assembly and sales.
- Customers such as; Amgen, IDEC, Lonza and Merck.
- Price paid MSEK 215, about 6 times EBIT.



Outlook 2003

“Order intake will show a limited increase during the year. Additional savings initiatives will reduce the impact from foreign exchange exposures. Profit before tax will show a major improvement.”

ALFA
LFA