Alfa Laval AB (publ)
Interim report July 1 – September 30, 2002

”The third quarter developed in line with our expectations.
The profitability increased through higher gross margins and lower overheads.”

Sigge Haraldsson, President and CEO, Alfa Laval

Summary of the third quarter 2002:

- Adjusted EBITA increased to MSEK 414 (391).
- Adjusted EBITA-margin increased to 11,8 percent (10,2).
- Result after financial items increased to MSEK 219 (- 256).
- Order intake, excluding divested activities and exchange rate variances, decreased by 4,8 percent to MSEK 3 528.
- Net sales, excluding divested activities and exchange rate variances, decreased by 4,6 percent to MSEK 3 504.
- Non-recurring costs related to defined benefit pension plans have burdened the result by MSEK 50.
- The Danish company DSS (Danish Separation System A/S), specialists within membrane filtration, was acquired.

Summary of the first nine months 2002:

- Cash flow from operating activities was MSEK 1 344 (1 370).
- Adjusted EBITA was MSEK 1 220 (1 242).
- Adjusted EBITA-margin increased to 11,7 percent (11,2).
- Result after financial items increased to MSEK 26 (- 210).
- Order intake, excluding divested activities and exchange rate variances, decreased by 4,3 percent to MSEK 11 173.
- Net sales, excluding divested activities and exchange rate variances, decreased by 1,9 percent to MSEK 10 420.
- Non-recurring costs related to defined benefit pension plans have burdened the result by MSEK 75.
- Comparison distortion costs related to the change in capital structure in connection with the IPO have burdened the result by MSEK 304.
- The new issue of shares in connection with the IPO has together with on-going amortisation decreased the financial net debt by MSEK 3 649 since the beginning of the year.

Expectations for the rest of the year remain.

During the autumn 2001 a decreased demand was noted. For 2002, a decrease of orders received of approximately 4 percent was estimated. Despite the further increased uncertainty in the world economy during the last quarter, the estimate remains.

Despite the downturn in orders received, the EBITA-margin is expected to improve for the current year compared to 2001. The improved profitability is achieved through higher gross margins and lower overheads. The operations are thus very well prepared to further increase the profitability when the upturn in the economy comes.

MSEK unless otherwise stated	**1.7-30.9 2002**	**1.7-30.9 2001**	**1.1-30.9 2002**	**1.1-30.9 2001**	2001	2000 proforma
Order intake	3 528	3 982	11 173	12 188	15 894	15 374
Net sales	3 504	3 832	10 420	11 091	15 830	15 012
Adjusted EBITDA 1)	492	485	1 470	1 539	2 138	1 626
Adjusted EBITA 2)	414	391	1 220	1 242	1 738	1 160
Adjusted EBITA2)- margin	11,8 %	10,2 %	11,7 %	11,2 %	11,0%	7,7%
Result after financial items	219	-256	26	-210	42	-296
Return on capital employed			18,8 %	13,5 %	18,5%	16,1%
Return on equity capital			3,1 %	-25,7 %	2,5%	-30,8%
Solidity			27,1 %	7,1 %	8,2%	7,0%
Debt ratio, times			0,95	6,54	5,38	6,42
No. of employees (units) 3)	9 212	9 405	9 212	9 405	9 259	10 623

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) Number of employees at the end of the period.

Lund, October 31, 2002

Sigge Haraldsson
President and CEO
Alfa Laval AB (publ)

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

Management's discussion and analysis

Ownership

Alfa Laval AB (publ) is since May 17, 2002 listed on the Stockholm Stock Exchange's O-list and on Attract 40 since July 1. The number of shareholders is 4 544 in total. The two largest owners are also after the IPO Industri Kapital and Tetra Laval, where 26,9 (62,2) percent are owned by the partnerships that are controlled by Industri Kapital 2000 Ltd, United Kingdom and 15,9 (36,7) percent are owned by Tetra Laval B.V., the Netherlands. Next to them there are eight institutional investors with ownerships of 6,7 to 2,0 percent. These ten largest owners own 71,4 percent of the shares.

IPO of the Alfa Laval share

On April 8, the owners of Alfa Laval decided to list the Alfa Laval share in connection with a new issue of shares in the order of MSEK 3 000. The IPO was completed on May 17, 2002. All warrants held by Alfa Laval management have been used for subscription of new shares at the IPO. The capital injection of totally MSEK 3 132,9 that the new issue of shares resulted in has been used to repay the debt to Tetra Laval Finance Ltd and to amortise 35 percent of the bond loan. In connection with the IPO, the previous syndicated loan has been replaced by a new loan at conditions that better reflect the financial position of Alfa Laval after the new issue of shares. In connection with the IPO an additional purchase price of MEUR 40,0, corresponding to MSEK 366,0, was paid to Tetra Laval BV for the original acquisition on August 24, 2000 of the Alfa Laval Credit Finance AB Group. This has entirely been booked as goodwill in the Group and is amortised over 20 years.

Legal structure

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

Operations

The Alfa Laval Group is engaged in the development, production and sales of components and systems based on three main technologies: separation/filtration, heat exchange and fluid handling. As of January 1, 2001, the sales and marketing activities are performed in two divisions – ”Equipment” and ”Process Technology”. The divisions are based on totally ten customer groups. The Group also has a common function "Operations" for procurement, production and logistics. The Group's secondary segments are geographical markets.

Accounting principles

The same accounting principles and accounting estimates have been applied in the interim report for September 2002 as for the annual report for 2001.

Acquisitions and disposals

On September 4, 2002, Alfa Laval acquired the company Danish Separation Systems A/S, specialists within membrane filtration in the biotechnology, pharmaceutical and food industries. The company has annual sales of about MSEK 90 and 65 employees within R&D, manufacturing and sales.

The sale of the real estate in Warminster in the United States was completed at the end of March at a price of MUSD 6,4 corresponding to MSEK 63,4. The realised loss was MSEK -43,3.

The divestment of the operation called Industrial Flow was made on April 2, 2001. In the annual report for 2001, a realised gain of MSEK 10,0 was recognised. A few activities have remained before the acquisition could be considered to be completed. During September 2002 a final settlement has been made with the buyer, resulting in an increase of the realised gain by MSEK 14,8. This result item is reported as a comparison distortion item.

Orders received and order backlog

Orders received amounted to MSEK 3 528,2 (3 982,2) for the third quarter. Excluding exchange rate variations and after adjusting for divested activities, the order intake for the Group was 4,8 percent lower than the same period last year.

Orders received amounted to MSEK 11 173,4 (12 187,6) for the first nine months. Excluding exchange rate variations and after adjusting for divested activities, the order intake for the Group was 4,3 percent lower than the same period last year.

The order backlog as per September 30 was MSEK 4 870,8 (5 245,1). Excluding exchange rate variations and divested activities, the order backlog was 4,7 percent lower than the order backlog per September 2001 and 17,7 percent higher than the order backlog per the end of 2001. The latter is due to the fact that the Group normally has considerably higher invoicing during the last months every year.

Net sales

Net sales of the Alfa Laval Group amounted to MSEK 3 503,6 (3 832,0) for the third quarter of this year. Excluding exchange rate variations and divested activities, the invoicing was some 4,6 percent lower than the third quarter of last year.

Net sales of the Alfa Laval Group amounted to MSEK 10 419,8 (11 091,0) for the first nine months. Excluding exchange rate variations and divested activities, the invoicing was 1,9 percent lower than the period January to September last year.

Comments on the Profit & Loss Statement

As a basis for comments on the various main items of the profit & loss statement, please find a comparison between January - September 2002 and 2001 below:

Profit & loss analysis

MSEK	1.7-30.9 2002	1.7-30.9 2001	1.1-30.9 2002	1.1-30.9 2001
Net sales	3 503,6	3 832,0	10 419,8	11 091,0
Adjusted gross profit	1 394,7	1 366,9	4 112,6	4 136,0
- in % of net sales	39,8	35,7	39,5	37,3
Expenses	-902,6	-881,6	-2 642,7	-2 597,3
- in % of net sales	25,8	23,0	25,4	23,4
Adjusted EBITDA	492,1	485,3	1 469,9	1 538,7
- in % of net sales	14,0	12,7	14,1	13,9
Depreciation	-78,6	-94,3	-249,5	-297,0
Adjusted EBITA	**413,5**	**391,0**	**1 220,4**	**1 241,7**
- in % of net sales	**11,8**	**10,2**	**11,7**	**11,2**
Amortisation of goodwill*	-128,7	-129,9	-380,8	-384,1
Comparison distortion items	15,9	-	-28,5	-
EBIT	300,7	261,1	811,1	857,6

* Including amortisation of step-up values

The first nine months generated a gross profit of MSEK 3 871,7 (3 884,2). Excluding the amortisation of MSEK 240,9 (251,8) on step up values, the adjusted gross profit is MSEK 4 112,6 (4 136,0). This corresponds to 39,5 % (37,3%) of net sales. The gross profit margin is thereby some 2,2 percent higher compared with the same period last year. This is primarily a result of the restructuring programme. The proportion of the after market sales increased, which also contributed to the increased gross profit margin.

Sales and administration expenses amounted to MSEK 2 373,1 (2 451,9). Excluding exchange rate variations and divested activities, these expenses were slightly below the level for the corresponding period 2001.

Research and development expenses amounted to MSEK 249,3 (227,6), corresponding to 2,4 % (2,1 %) of net sales.

Adjusted EBITDA amounted to MSEK 1 469,9 (1 538,7) for the first nine months. The adjusted EBITA amounted to MSEK 1 220,4 (1 241,7). The adjusted EBITA margin thereby increased to 11,7 (11,2) percent.

In order to illustrate the quarterly development, the corresponding profit & loss analysis is shown for the last nine quarters below:

Profit & loss analysis for the group

	2000		2001				2002		
MSEK	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	3 713,9	4 632,3	3 452,4	3 806,5	3 832,0	4 738,6	3 261,9	3 654,2	3 503,6
Adjusted gross profit	1 269,0	1 500,8	1 335,9	1 433,3	1 366,9	1 679,5	1 291,5	1 426,4	1 394,7
- in % of net sales	34,2	32,4	38,7	37,7	35,7	35,4	39,6	39,0	39,8
Expenses	-863,7	-889,7	-866,7	-848,8	-881,6	-1 080,2	-841,9	-898,3	-902,6
- in % of net sales	23,3	19,2	25,1	22,3	23,0	22,8	25,8	24,6	25,8
Adjusted EBITDA	405,3	611,1	469,2	584,5	485,3	599,3	449,6	528,1	492,1
- in % of net sales	10,9	13,2	13,6	15,4	12,7	12,6	13,8	14,5	14,0
Depreciation	-113,9	-133,2	-103,1	-99,8	-94,3	-103,3	-87,8	-83,1	-78,6
Adjusted EBITA	**291,4**	**477,9**	**366,1**	**484,7**	**391,0**	**496,0**	**361,8**	**445,0**	**413,5**
- in % of net sales	**7,8**	**10,3**	**10,6**	**12,7**	**10,2**	**10,5**	**11,1**	**12,2**	**11,8**
Amortisation of goodwill*	2,7	-119,7	-119,9	-134,3	-129,9	-127,9	-126,4	-125,7	-128,7
Comparison distortion items	27,3	-386,1	0,0	0,0	0,0	5,3	-44,9	0,5	15,9
EBIT	321,4	-27,9	246,2	350,4	261,1	373,3	190,5	319,8	300,7

* Including amortisation of step-up values

The result after financial items was MSEK 26,4 (-210,0) for the first nine months.

The result has been affected by comparison distortion items of MSEK -332,9 (-). During the first nine months 2002, the Group divested the real estate in Warminster in the United States for a price of MUSD 6,4, corresponding to MSEK 63,4. The realised loss was MSEK -43,3. The divestment of the operation called Industrial Flow was made on April 2, 2001. In the annual report for 2001, a realised gain of MSEK 10,0 was recognised. A few activities have remained before the acquisition could be considered to be completed. During September 2002 a final settlement has been made with the buyer, resulting in an increase of the realised gain by MSEK 14,8. In connection with the dissolution of the previous capital structure, the profit and loss statement has been burdened by non-recurring financial costs of MSEK -304,4.

The result after financial items for the parent company was MSEK -86,7 (-371,0), out of which net interest expenses were MSEK -109,1 (-181,3), exchange gains/losses on loans MSEK 24,8 (-187,3) remunerations to the Board of Director’s -1,9 (-2,3) and administration expenses the remaining MSEK -0,5 (-0,1).

The financial net for the first nine months was MSEK -401,2 (-687,7), excluding exchange differences and comparison distortions items. The principal elements of costs were interest on debt to credit institutions MSEK -176,6 (-271,4), interest on the high yield bond MSEK -160,3 (-188,3), interest on the loan from Tetra Laval

Finance Ltd MSEK -97,1 (-181,3) and a net of other interest income and interest costs MSEK 32,8 (-46,7).

For the first nine months income taxes amounted to MSEK -178,0 (-46,1).

In order to illustrate the effect on the profit and loss statement of the new capital structure, the following proforma calculation is made. It shows the Group's result if the new capital structure had been in place already on January 1, 2002 and without the comparison distortion items fully related to the change in capital structure.

Proforma for the Group

MSEK	1.1-30.9 2002
EBIT according to the profit and loss statement	811,1
Interest and other income	167,4
Interest and other costs	-466,6
Comparison distortion items	-
Result after financial items	511,9
Income tax*	-178,0
Minority interests	-24,6
Net income	309,3
Result per share (SEK)	2,77
Average number of shares	111 671 993

* Since the Group's financial debt is allocated to countries where the Group's subsidiaries have tax losses carried forward, the proforma calculation does not contain an increased tax cost.

Divisional reporting

Consolidated	Orders received				
MSEK	1.7-30.9 2002	1.7-30.9 2001	1.1-30.9 2002	1.1-30.9 2001	1.1-31.12 2001
Equipment	1 943,2	2 210,0	6 214,9	6 620,9	8 557,9
Process Technology	1 563,2	1 721,4	4 881,1	5 278,2	7 026,9
Operations and other	21,8	52,4	77,4	79,9	96,1
Subtotal	3 528,2	3 983,8	11 173,4	11 979,0	15 680,9
Divested	-	-1,6	-	208,6	213,0
Total	3 528,2	3 982,2	11 173,4	12 187,6	15 893,9

Consolidated	Order backlog		
	30.9	30.9	31.12
MSEK	2002	2001	2001
Equipment	1 671,2	1 976,1	1 648,3
Process Technology	3 184,5	3 247,7	2 654,7
Operations and other	15,1	20,9	9,5
Subtotal	4 870,8	5 244,7	4 312,5
Divested	-	0,4	1,0
Total	4 870,8	5 245,1	4 313,5

Consolidated	Net sales				
	1.7-30.9	1.7-30.9	1.1-30.9	1.1-30.9	1.1-31.12
MSEK	2002	2001	2002	2001	2001
Equipment	2 018,1	2 181,1	6 102,2	6 239,0	8 576,2
Process Technology	1 432,1	1 604,7	4 205,3	4 502,7	6 872,0
Operations and other	53,4	64,4	112,3	143,4	169,4
Subtotal	3 503,6	3 850,2	10 419,8	10 885,1	15 617,6
Divested	-	-18,2	-	205,9	212,0
Total	3 503,6	3 832,0	10 419,8	11 091,0	15 829,6

Consolidated	EBIT				
	1.7-30.9	1.7-30.9	1.1-30.9	1.1-30.9	1.1-31.12
MSEK	2002	2001	2002	2001	2001
Equipment	234,0	217,3	740,7	709,6	1 083,6
Process Technology	92,7	60,0	208,8	203,1	472,7
Operations and other	-41,9	-8,6	-109,9	-63,1	-321,0
Subtotal	284,8	268,7	839,6	849,6	1 235,3
Comparison distortion items	15,9	-	-28,5	-	5,3
Divested	-	-7,6	-	8,0	-9,2
Total	300,7	261,1	811,1	857,6	1 231,4

An increase in orders received has mainly been recognised from the customer segment ”Food Technology”. Decreases in orders received have been noted from primarily the ”Energy & Environment” customer segment. The latter is partly the result of large orders last year within the environmental area that have not been repeated this year and partly the strong investment climate within the oil and gas industry last year that this year has returned to a more normal level. The previously weak development within ”Process Industry” has in large recovered during the last three months. Orders received from the after market were somewhat higher compared to the corresponding period last year and thereby increased its relative share.

Net sales by geographical markets

Consolidated	1.1-30.9 2002 MSEK	%	1.1-30.9 2001 MSEK	%
Customers in:				
Sweden	600,8	5,8	519,8	4,7
Other EU	3 484,0	33,4	3 856,6	34,8
Other Europe	1 064,5	10,2	978,3	8,8
North America	2 189,7	21,0	2 254,2	20,3
South America	464,0	4,4	549,2	5,0
Africa	70,7	0,7	113,6	1,0
Asia	2 372,0	22,8	2 607,3	23,5
Oceania	174,1	1,7	212,0	1,9
Total	10 419,8	100,0	11 091,0	100,0

The invoicing increased strongly in Central and Eastern Europe and increased in the Nordic countries. Mainly Western Europe and Asia but also North America and South America are below the level of last year. This is after considering acquisitions and disposals.

Return on capital employed

The return on capital employed including goodwill and step up values amounted to 18,8 (13,5) percent for the first nine months 2002.

Cash-flow

Cash flow from operating and investing activities amounted to MSEK 610,2 (1 176,7) for the period January-September, out of which divestments generated cash of MSEK 70,7 (310,6).

Working capital decreased by MSEK 163,1 during the first nine months 2002, partly as a result of the efforts to further improve capital management and partly due to the business climate. The corresponding figure for the first nine months 2001 was a decrease by MSEK 279,2.

Capital expenditure was MSEK 197,4 (136,1) for the first nine months. Depreciation, excluding allocated step up values, amounted to MSEK 249,5 (297,0) for the same period.

Cash earnings per share amounted to SEK 0,53 (-0,97) for the period. The cash flows from operating activities calculated per share were SEK 17,53 (36,53). The average number of shares has been changed through split and new issue of shares.

Cash and bank

The Group's cash and bank at the end of the period amounted to MSEK 610,0 (656,9) compared to MSEK 666,4 at the end of 2001. The cash and bank deposits included bank deposits in the publicly listed subsidiary Alfa Laval (India) Ltd of some MSEK 163,2 (164,5).

Borrowings and net debt

Total bank borrowings amounted to MSEK 3 700,3 (5 153,2) as per September 30. The total financial indebtedness including leasing and interest bearing pension liabilities amounted to MSEK 5 032,1 (9 559,3).

Net financial debt amounted to MSEK 4 128,3 (8 731,2) as per September 30.

As a consequence of the IPO of Alfa Laval, the structure of the financial debt has been changed. The costs for the change of the structure are of non-recurring nature.

On May 23 the loan from Tetra Laval Finance Ltd was repaid.

On May 28 the loans from the previous banking syndicate were replaced by loans from a new banking syndicate, at terms that better reflect the financial position of Alfa Laval after the new issue of shares. During the period January 1 and May 28, the old loans were amortised by MSEK 323,4. After May 28 the new loans have been amortised by MSEK 232,5.

On June 24, 35 percent of the bond loan of MEUR 220 were amortised, which corresponded to MEUR 77 or MSEK 702,5. This was made at a premium of 12,125 percent corresponding to one year's interest, which amounted to MEUR 9,3 or MSEK 84,8. This cost has been reported as a comparison distortion item.

In connection with the repayment of the loan from Tetra Laval Finance Ltd, the replacement of the previous syndicated loans and the amortisation of the bond loan, capitalised financing costs of totally MSEK 219,6 have been reversed. This cost is reported as a comparison distortion item.

The loan facility that has been agreed with the new banking syndicate is committed for five years. It consists of an amortisation free part of MEUR 383 and a working capital part of MEUR 150, that is MEUR 533 in total. As of the end of September 2002, MEUR 383 has been utilised of the loan facility. This means that the working capital part in total was not utilised as of September 30.

Debt table

Consolidated

MSEK	30.9.2002	30.9.2001	31.12.2001
Subordinated loan from Tetra Laval Finance Ltd	-	2 214,6	2 085,6
Credit institutions	3 700,3	5 153,2	4 573,1
Bond loan	1 305,3	2 152,0	2 045,3
Capitalised finance leases	20,1	32,2	26,9
Interest-bearing pension liabilities	6,4	7,3	6,4
Total debt	5 032,1	9 559,3	8 737,2
Cash and bank and other current deposits	903,8	828,1	959,7
Net debt	4 128,3	8 731,2	7 777,5

Debt ratio

The debt ratio, that is the net debt in relation to equity capital, was 0,95 (6,54) times at the end of September 2002.

Solidity

The solidity, that is the equity capital in relation to total assets, was 27,1 (7,1) percent at the end of September 2002.

Return on equity capital

The net income for the year in relation to equity capital was 3,1 (-25,7) percent for the first nine months of the year. Due to the new issue of shares in May 2002, the equity capital for 2002 has been calculated as the average equity capital after the new issue of shares.

Investments

Investments in property, plant and equipment amounted to MSEK 197,4 (136,1) for the first nine months. The increase is mainly explained by an expansion of the production facility in Richmond, Virginia in the United States and capacity investments for manufacturing of brazed heat exchangers.

Personnel

The number of employees amounted to 9 212 (9 405) at September 30, 2002.

Legal proceedings

A subsidiary in the United States, Alfa Laval Inc., is named defendant in approximately 40 lawsuits related to asbestos. In most lawsuits the alleged liability of Alfa Laval Inc. has not been specified in sufficient detail. The company is in all cases one among a large number of defendants.

Alfa Laval Inc. has previously settled a small number of cases for minor amounts. The reason for settling these cases have been that the costs of settling are insignificant relative to the costs of trying the cases. Such settlements are the normal practice in the United States in order to reduce litigation costs, also in respect of unsubstantiated cases, and is not to be viewed as an admission of guilt.

The Group deems the present provisions to be sufficient for the estimated costs, which may arise from these lawsuits.

Events after the balance sheet date

At the beginning of October 2002 Alfa Laval has re-purchased bonds at the prevailing market rate for a face value of MSEK 31,4. The bond loan accrues interest at 12,125 percent, which is considerably more than the group’s current cost for other external financing.

Date for the next financial report

The press release for the annual report for 2002 will be made on February 24, 2003.

CONSOLIDATED PROFIT AND LOSS STATEMENT

Amounts in MSEK	1.7-30.9 2002	1.7-30.9 2001	1.1-30.9 2002	1.1-30.9 2001	1.1-31.12 2001
Net sales	3 503,6	3 832,0	10 419,8	11 091,0	15 829,6
Cost of goods sold	-2 188,1	-2 549,9	-6 548,1	-7 206,8	-10 348,0
Gross profit	1 315,5	1 282,1	3 871,7	3 884,2	5 481,6
Selling costs	-551,1	-674,6	-1 668,2	-1 820,3	-2 442,6
Administration costs	-178,6	-81,9	-704,9	-631,6	-789,2
Research & developm. costs	-82,8	-70,4	-249,3	-227,6	-341,4
Comparison distortion items	15,9	-	-28,5	-	5,3
Other operating income	49,2	87,2	177,4	228,4	389,1
Other operating costs	-217,9	-236,2	-447,2	-443,2	-893,3
Goodwill depreciation	-49,5	-45,1	-139,9	-132,3	-178,0
EBIT	300,7	261,1	811,1	857,6	1 231,4
Interest and other income	50,2	76,5	167,4	196,5	247,6
Interest and other costs	-131,6	-593,4	-647,7	-1 264,1	-1 437,2
Comparison distortion items	-	-	-304,4	-	-
Result after financial items	219,3	-255,8	26,4	-210,0	41,8
Income tax	-66,1	-53,5	-178,0	-46,1	26,3
Minority interests	-8,6	0,9	-24,6	-17,6	-32,0
Net income (loss)	144,6	-308,4	-176,2	-273,7	36,1
Result per share (SEK)	1,29	-8,23	-2,30	-7,30	0,96
Average number of shares*	111 671 993	37 496 325	76 656 499	37 496 325	37 496 325

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

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	30.9 2002	31.12 2001
ASSETS		
Non-current assets:		
Intangible assets	4 896,4	5 013,3
Property, plant and equipment	3 161,9	3 598,9
Financial assets	250,9	478,7
Current assets:		
Inventories	2 732,3	2 623,9
Accounts receivable	2 547,4	3 032,0
Other receivables	1 562,0	1 925,4
Other current deposits	293,8	293,3
Cash and bank	610,0	666,4
TOTAL ASSETS	**16 054,7**	**17 631,8**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity:	4 344,4	1 445,1
Minority interests	115,8	131,8
Provisions for:		
Pensions and similar commitments	710,0	774,9
Deferred taxes	1 023,9	1 143,6
Other	901,2	1 063,2
	2 635,1	2 981,7
Non-current liabilities:		
Subordinated loan from Tetra Laval Finance Ltd	-	2 085,6
Liabilities to credit institutions	3 540,8	4 190,5
Bond loan	1 305,3	2 045,3
	4 846,1	8 321,4
Current liabilities:		
Liabilities to credit institutions	159,5	382,5
Accounts payable	1 159,8	1 425,9
Advances from customers	765,0	609,1
Other liabilities	2 029,0	2 334,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**16 054,7**	**17 631,8**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	1.1-30.9 2002	1.1-30.9 2001
Cash flows from operating activities		
EBIT	811,1	857,6
Adjustments for depreciation	630,3	681,1
Adjustments for non operating items	28,2	-29,8
	1 469,6	1 508,9
Taxes paid	-289,2	-418,5
Cash generated from operations before changes in working capital	1 180,4	1 090,4
Change in working capital:		
(Increase)/decrease of current receivables	435,8	198,9
(Increase)/decrease of inventories	-275,4	-232,1
Increase/(decrease) of current liabilities	2,7	312,4
	163,1	279,2
Cash flows from operating activities	1 343,5	1 369,6
Cash flows from investing activities		
Capital expenditure	-197,4	-136,1
Divestment of fixed assets	70,7	45,9
Additional purchase price	-366,0	-
Acquisition of business activities	-105,0	-87,3
Disposal of business activities	-	264,7
Provisions	-135,6	-280,1
Cash flows from investing activities	-733,3	-192,9
Cash flows from financing activities		
Financial net, paid	-743,1	-420,7
New issue of shares	3 132,9	-
(Increase)/decrease of other current deposits	56,6	433,6
Capitalised financing costs, acquisition loans	-38,3	9,6
Increase/(decrease) of liabilities to credit institutions	-2 977,6	-1 235,7
Cash flows from financing activities	-569,5	-1 213,2
Net increase (decrease) in cash and bank	40,7	-36,5
Cash and bank at the beginning of the period	666,4	634,5
Translation difference in cash and bank	-97,1	58,9
Cash and bank at the end of the period	610,0	656,9
Cash earnings per share (SEK)	0,53	-0,97
Average number of shares*	76 656 499	37 496 325

CHANGES IN CONSOLIDATED EQUITY CAPITAL

Amounts in MSEK

	1.1-30.9 2002	1.1-30.9 2001
At the beginning of the period	1 445,1	1 312,3
New issue of shares	3 132,9	-
Translation difference	-57,4	297,1
Net income for the period	-176,2	-273,7
At the end of the period	4 344,4	1 335,7

The share capital of SEK 1 116 719 930 (374 963) is divided into 111 671 993 (37 496 325) shares at par value 10 (0,01) SEK.

At an extraordinary shareholders' meeting on April 8, 2002 it was decided to increase the share capital by SEK 374 963 through a transfer of SEK 374 963 from unrestricted equity capital. The bonus issue of shares was implemented so that shareholders received one new share for each old share. The reconciliation day for the bonus issue of shares was May 3, 2002.

The shareholders' meeting decided – in consideration of the planned initial public offering – to change the articles of association, such that the company is a public company. It was also decided that the par value of each share should be changed to SEK 10 and that the limits for the company's share capital shall be a minimum of SEK 745 000 000 and a maximum of SEK 2 980 000 000.

The shareholders' meeting also decided that the company's share capital should be increased by SEK 749 176 574, through a transfer of SEK 749 176 574 from unrestricted equity capital. The bonus issue of shares was implemented through an increase of the par value of each share by SEK 9,99 to SEK 10.

At the new issue of shares in connection with the IPO, 32 967 033 new shares were issued, which increased the share capital by SEK 329 670 330. The subscription price was SEK 91. This means that the equity capital increased by SEK 3 000 000 003, which after deduction for transaction costs of SEK 87 874 980 means a net increase by SEK 2 912 125 023. Before the IPO, Alfa Laval management executed all 3 712 310 warrants, which means a corresponding increase of the number of shares and an increase of the share capital by SEK 37 123 100. The subscription price was SEK 59,48, which means an increase of the equity capital by SEK 220 793 851. Totally, the equity capital increased by SEK 3 132 918 874.