N.B. The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation the Swedish text shall prevail.

Item 17
Board proposal for a resolution regarding approval of the sale of Alfa Laval Biokinetics Inc to the members of the management of that company

On December 13, 2006 Alfa Laval AB (publ) announced that the company had taken the strategic decision to divest the project part of its business within the biotechnological industry by divesting Alfa Laval Biokinetics Inc. Alfa Laval AB has entered into an agreement with the management of Alfa Laval Biokinetics Inc to this effect. The agreed purchase price was USD 500,000. The Buyers paid USD 200,000 in cash at closing. The balance of USD 300,000 is in the form of a note payable to Alfa Laval Inc. on December 31, 2010 ("Purchaser's Note"). The Purchaser's Note is secured by the personal guarantee of William Brydges and James Dougherty. Alfa Laval US Treasury Inc. also agreed to provide Alfa Laval Biokinetics with a MUSD 1.8 line of credit (the "Credit Line"). The Credit Line will be available through December 2008. The agreement was made on market terms and conditions.

The primary reason for the divestment is that the project part for applications for the biotechnical industry, which e.g. comprises the offering of process technology and validation services, has a limited connection to Alfa Laval's core business, i.e. special products and process technology solutions based on the key technologies heat transfer, separation and fluid handling. The divestment is not anticipated to have any negative impact on Alfa Laval's Life Science business. The turnover of the divested entity is slightly more than MSEK 100 and it has approximately 110 employees. The turnover of the Alfa Laval Group in 2006 was MSEK 19,801 and the group had approximately 10,115 employees. Thus, Alfa Laval Biokinetics Inc is a very small part of the business of the Alfa Laval Group. The transaction was closed on December 29, 2006, subject to the approval of the annual general meeting 2007 of Alfa Laval AB.

The Board of Directors of Alfa Laval AB proposes that the annual general meeting of shareholders to be held on 23 April 2007 makes a resolution in the form set out below to approve the sale of Alfa Laval Biokinetics Inc to the management of that company.

It was resolved to approve the sale of Alfa Laval Biokinetics Inc to the management of that company.

The annual general meeting's resolution shall, pursuant to Chapter 16 of the Companies Act on certain directed issues etc, be valid only where supported by shareholders representing at least nine tenths of both the votes cast and of the shares represented at the meeting.