



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. 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 2006

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group

Key figures

April – June 2006

- Orders received up 35% to SEK 6,217 million
 - Net sales up 18% to SEK 4,876 million
 - Adjusted EBITA up 68% to SEK 707 million
- Positive currency effect SEK 19 million*

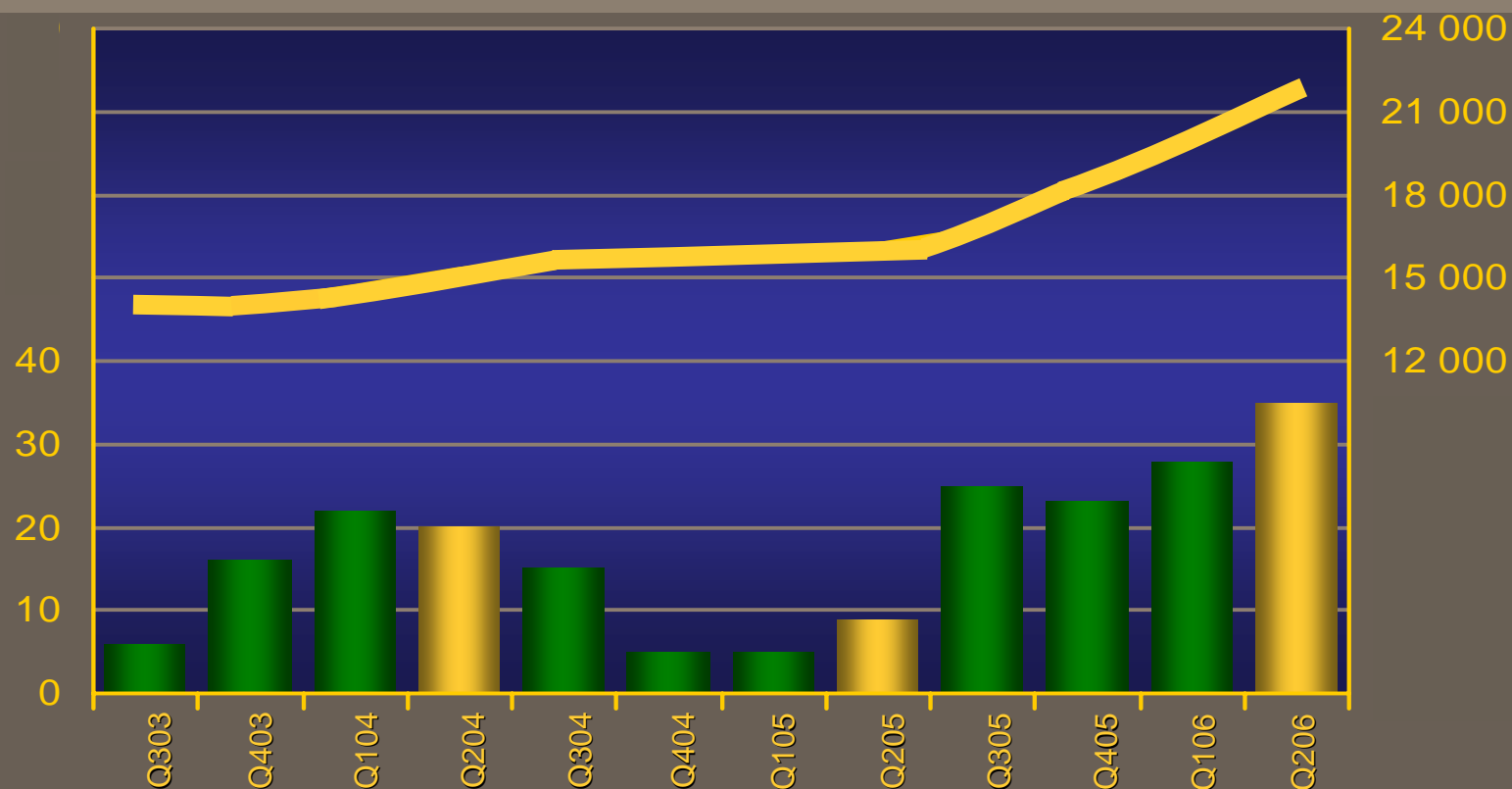
January – June 2006

- Orders received up 31% to SEK 11,698 million
 - Net sales up 17% to SEK 8,952 million
 - Adjusted EBITA up 64% to SEK 1,232 million
- Positive currency effect SEK 49 million*

Orders received

% Q on Q

SEK million R 12



— = rolling twelve months value

■ ■ = % development at constant rates compared with the same quarter the year before

Order analysis

SEK million

Apr – Jun 06

2005

4,574

Structural change, %

+ 11

Currency, %

+ 1

Organic development, %

+ 24

Total, %

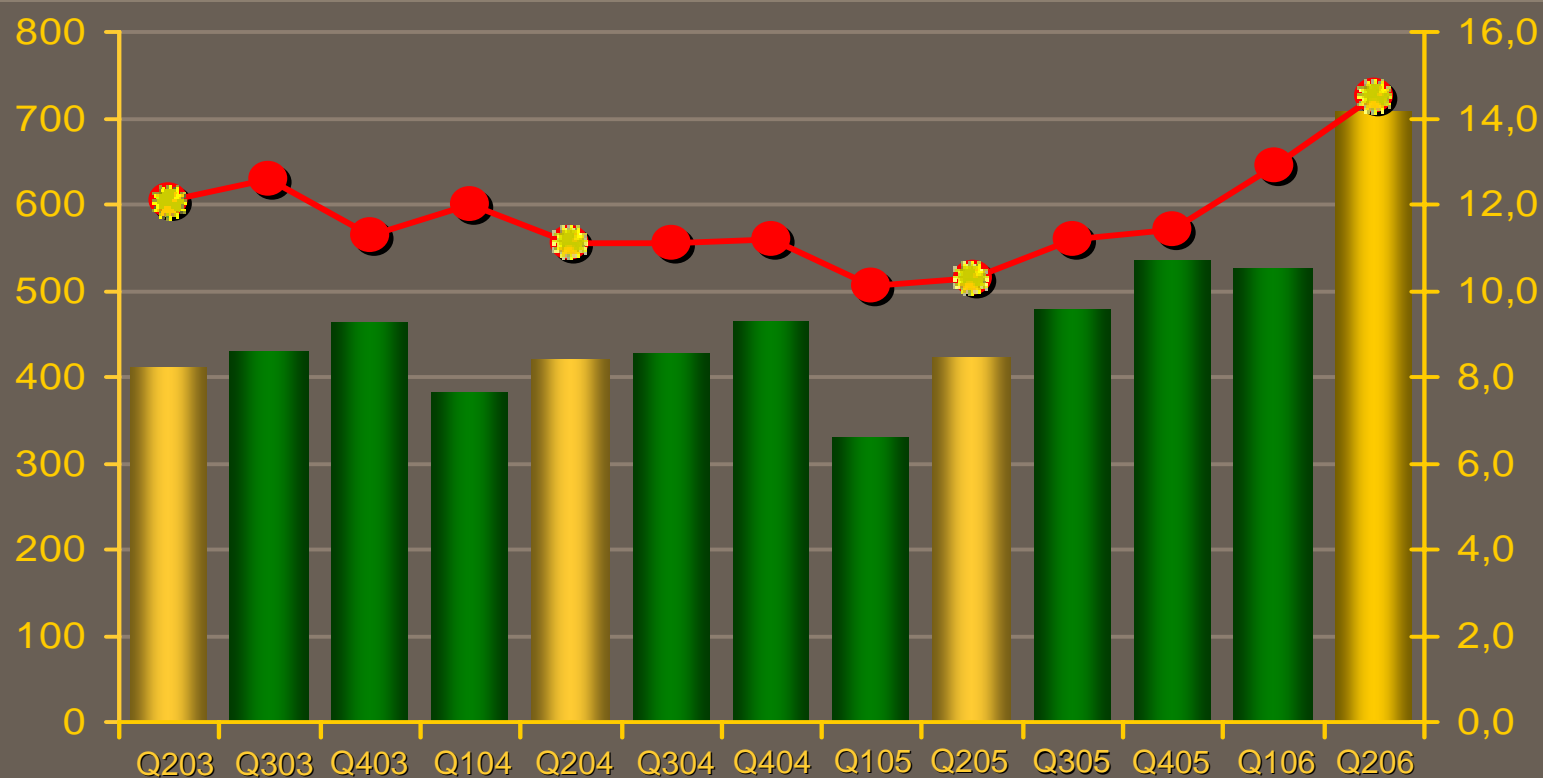
+ 36

2006

6,217

Adjusted EBITA / margin *

SEK million and in percent of sales



* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."



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Highlights

April – June 2006

- Order to liquid natural gas plant in the Middle East, SEK 240 million.
 - Plate heat exchangers for central cooling, using seawater to cool the facility. Delivery in 2007 and 2008.

Highlights

April – June 2006

- Order to liquid natural gas plant in the Middle East, SEK 240 million.
- Order to liquid natural gas plant in the Middle East, SEK 80 million.
 - Plate heat exchangers to be used on the process side in one of the world's largest LNG-facilities. Delivery in 2006 and 2007.

Highlights

April – June 2006

- Order to liquid natural gas plant in the Middle East, SEK 240 million.
- Order to liquid natural gas plant in the Middle East, SEK 80 million.
- Order to nuclear power plants in China, SEK 60 million.
 - Plate heat exchangers to cool equipment in two nuclear power reactors. Delivery in 2007 and 2008.



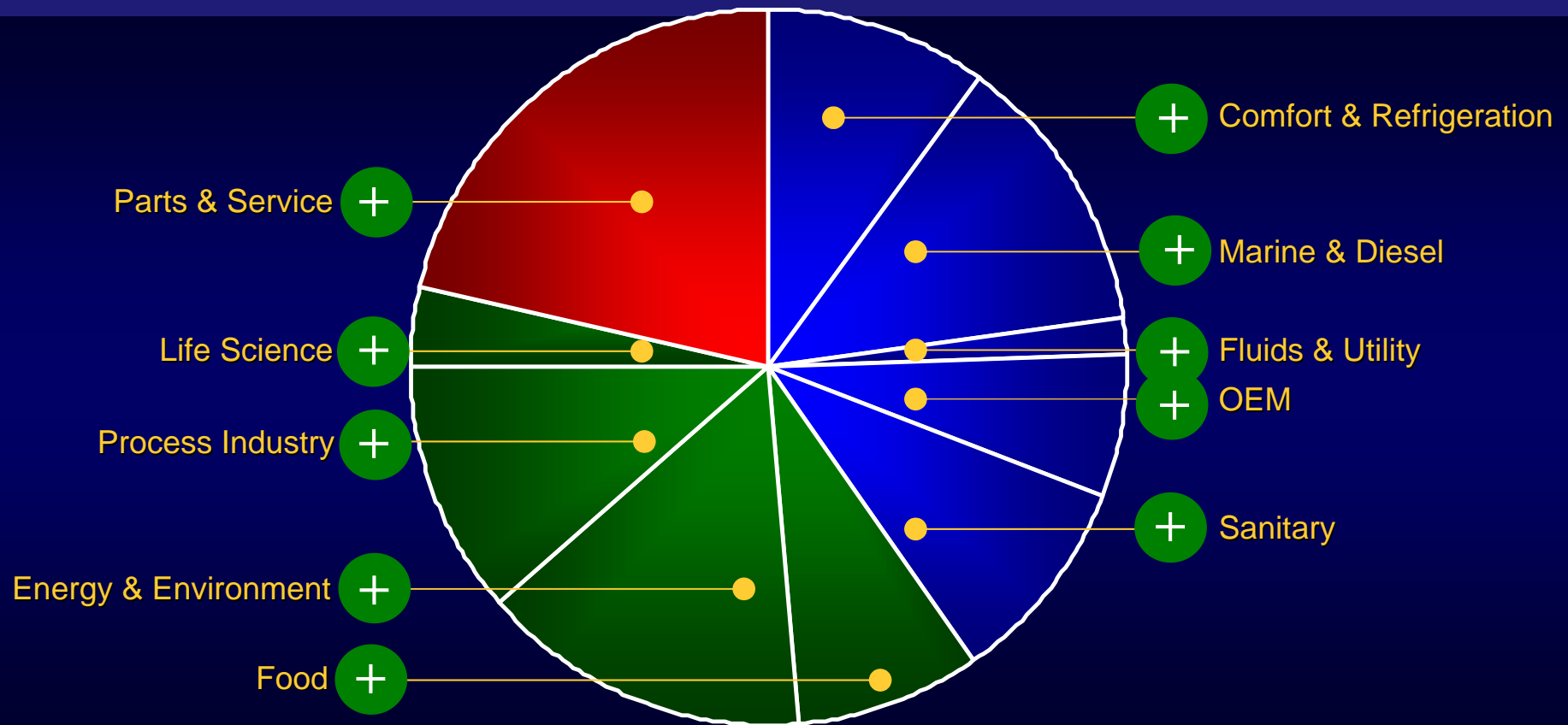
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Orders received by Segment

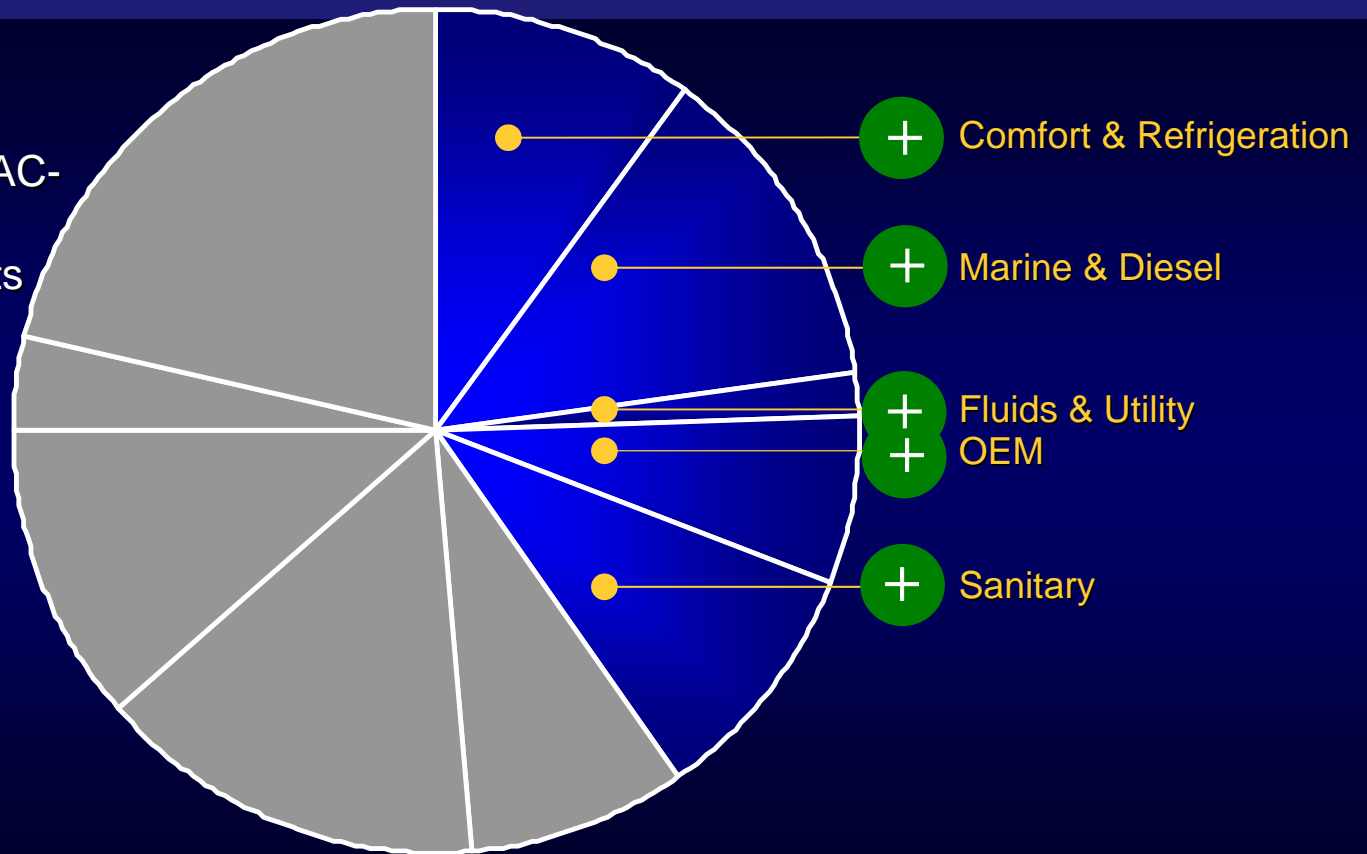
April – June 2006, at constant rates and for comparable units



Orders received by Segment

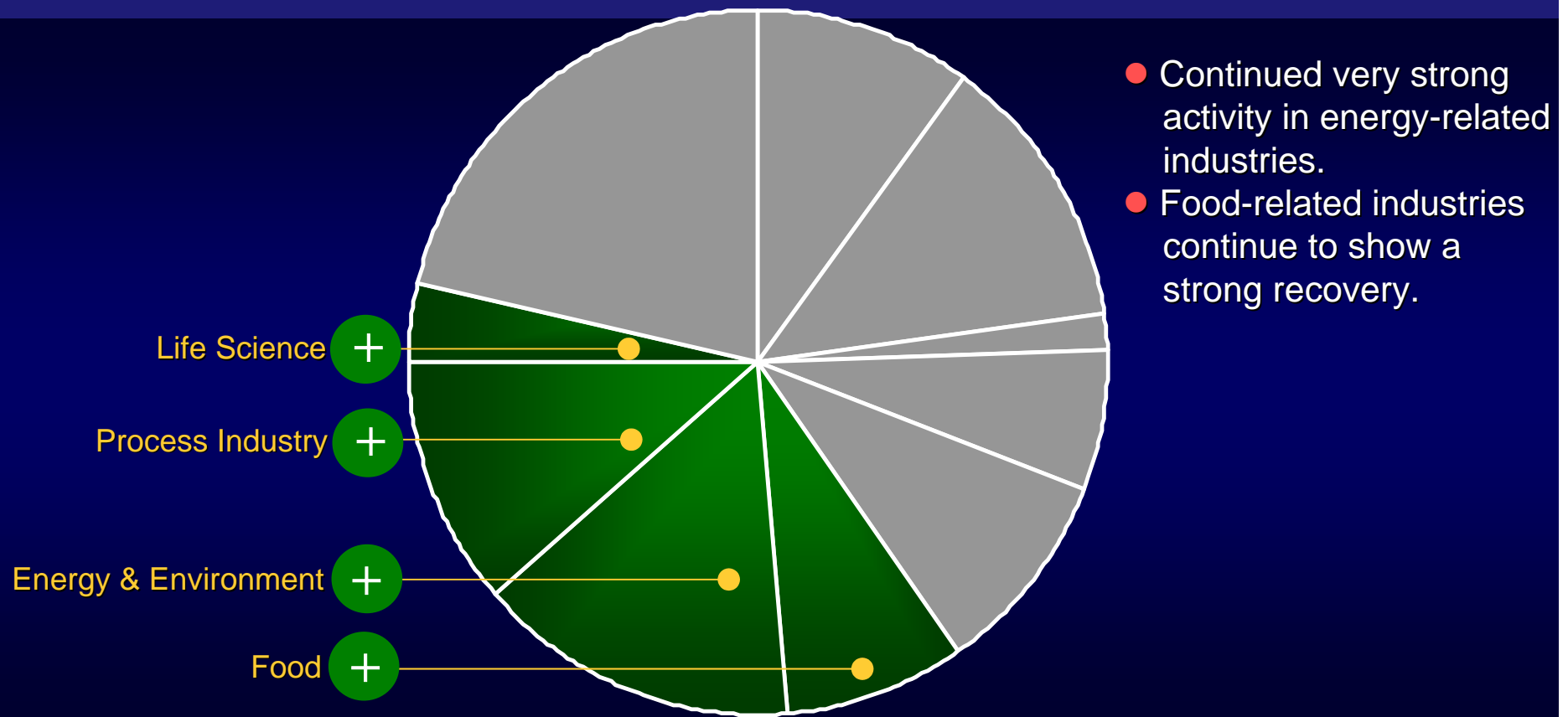
Equipment Division, April – June 2006, at constant rates and for comparable units

- Continued increased investments in the HVAC-markets.
- The marine investments slightly down.
- Good business climate in the food market.



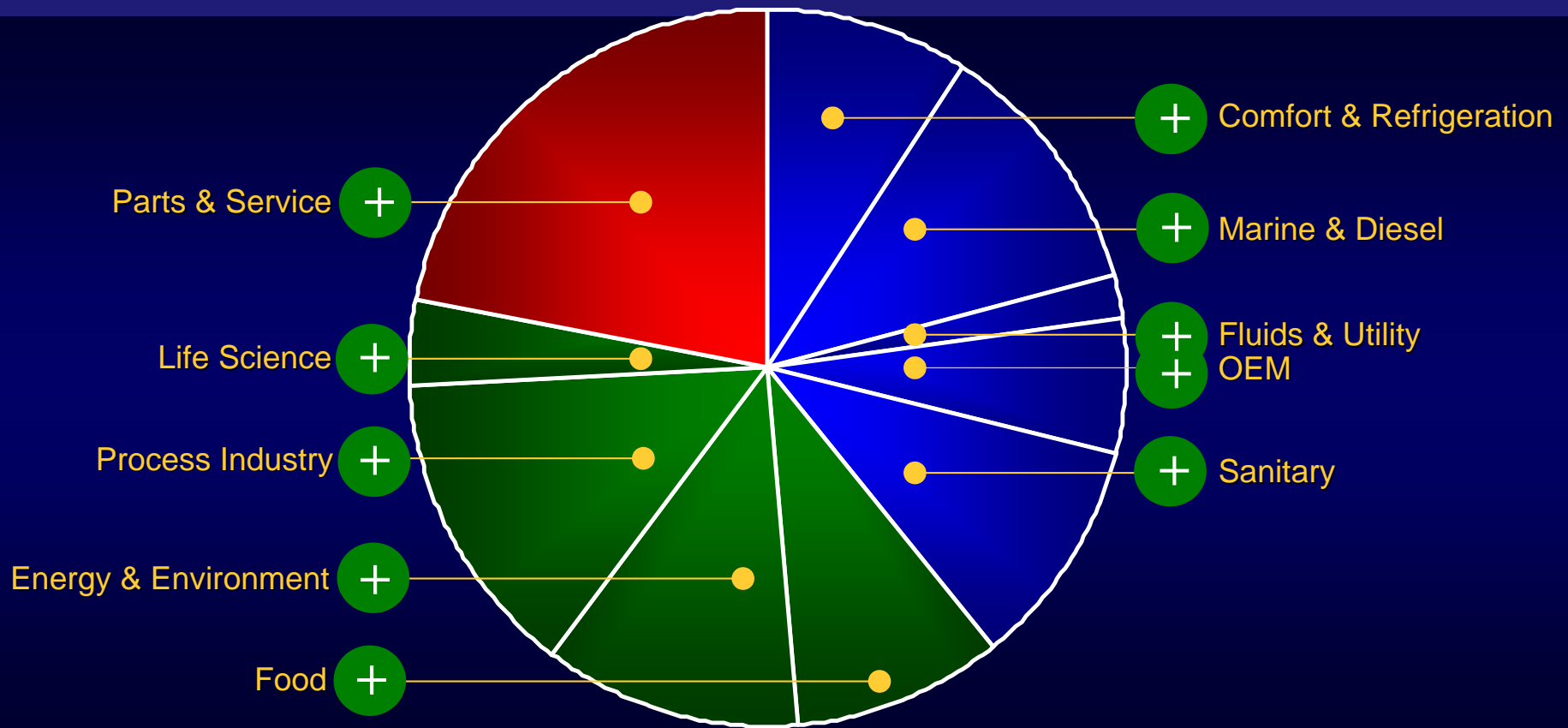
Orders received by Segment

Process Technology Division, April – June 2006, at constant rates and for comparable units

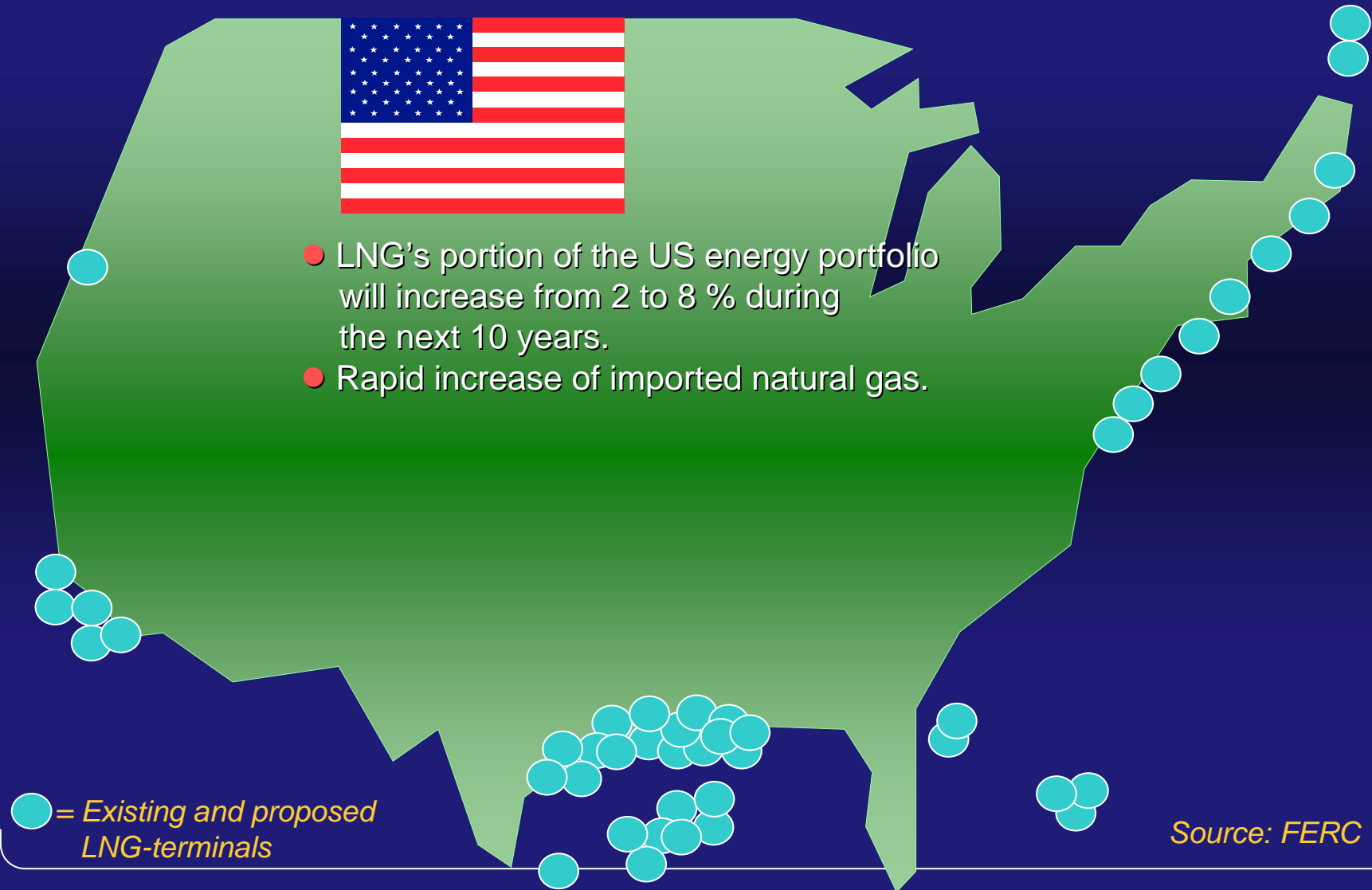


Orders received by Segment

January – June 2006, at constant rates and for comparable units



Increased importance of LNG





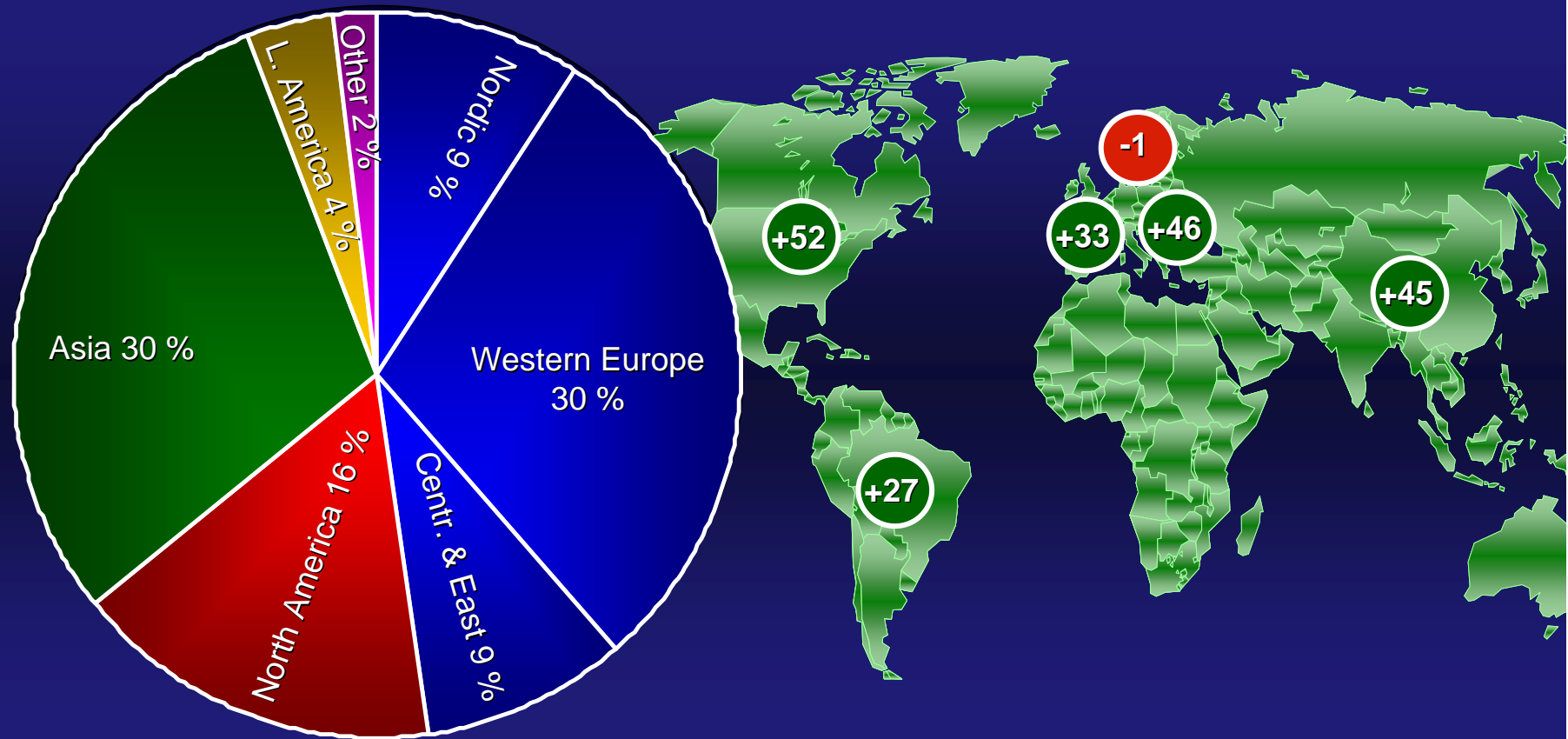
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President and CEO
Alfa Laval Group

Orders received by Region

April – June 2006, at constant rates



Highlights Americas

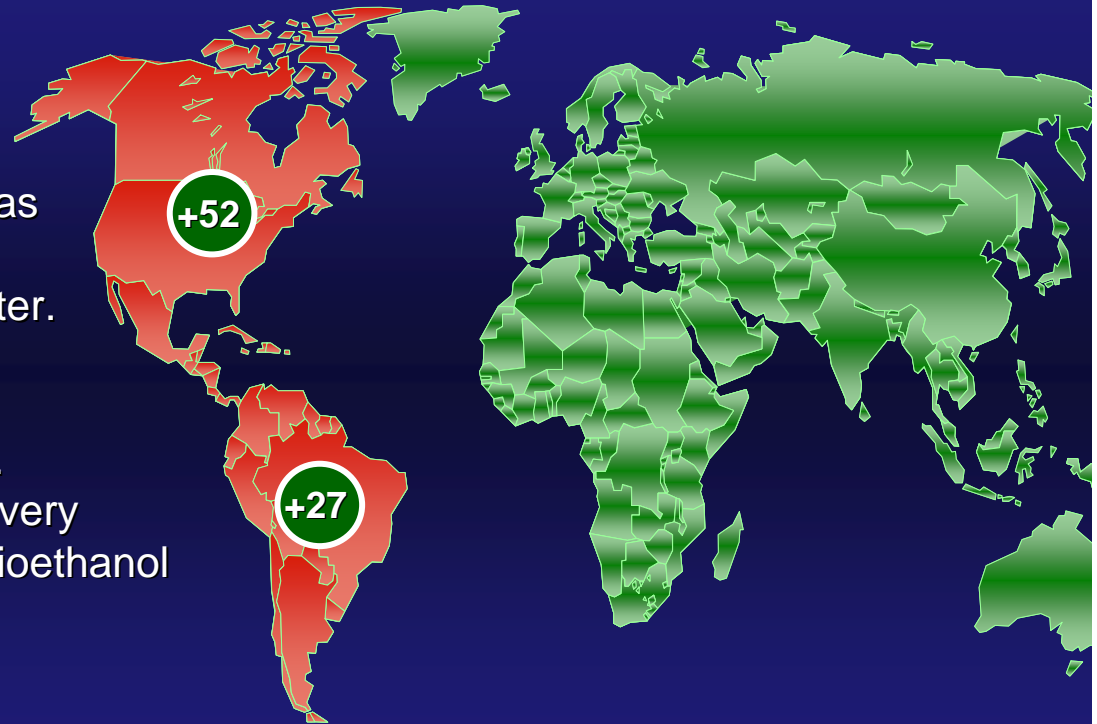
April – June 2006, at constant rates

North America

- Base orders in both US and Canada very good.
- Very strong development in fuel ethanol in US and oil & gas in Canada.
- Strong contribution from Tranter.

Latin America

- Investment climate improving.
- Process Technology Division very strong, with focus on Food, Bioethanol and Biodiesel.



Highlights Europe

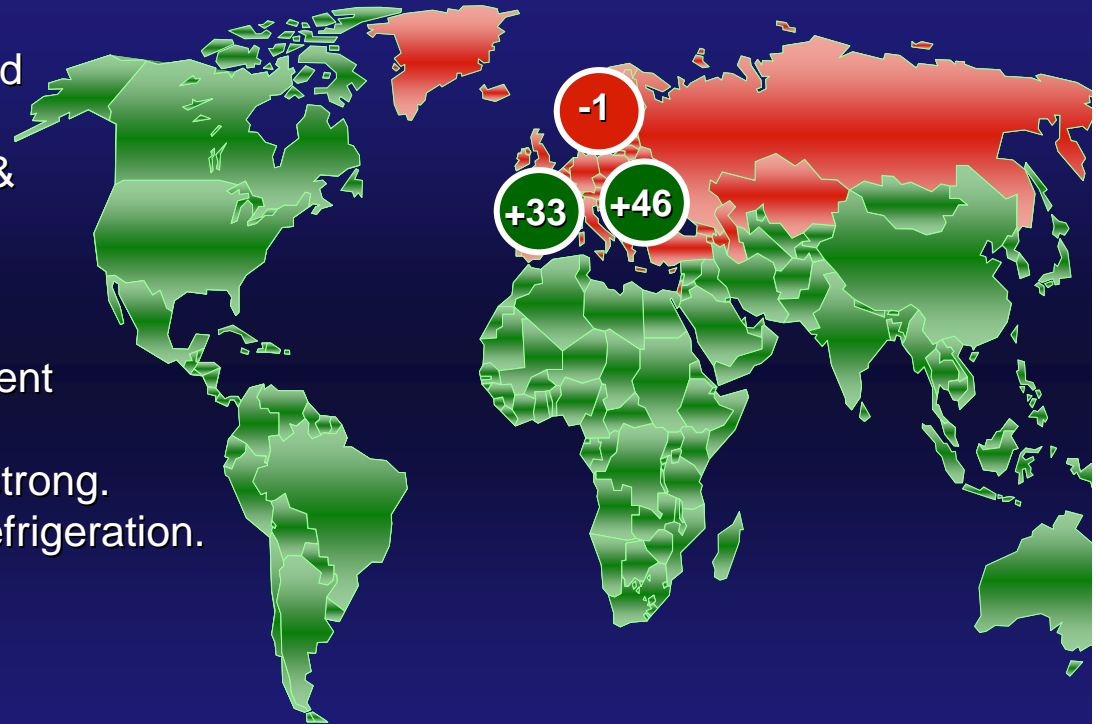
April – June 2006, at constant rates

Western Europe incl. Nordic

- Strong growth in Germany and contractor sales in France.
- Best development in Energy & Environment.

Central and Eastern Europe

- Continued very good investment climat.
- Russia continued to be very strong.
- Best growth in Marine and Refrigeration.

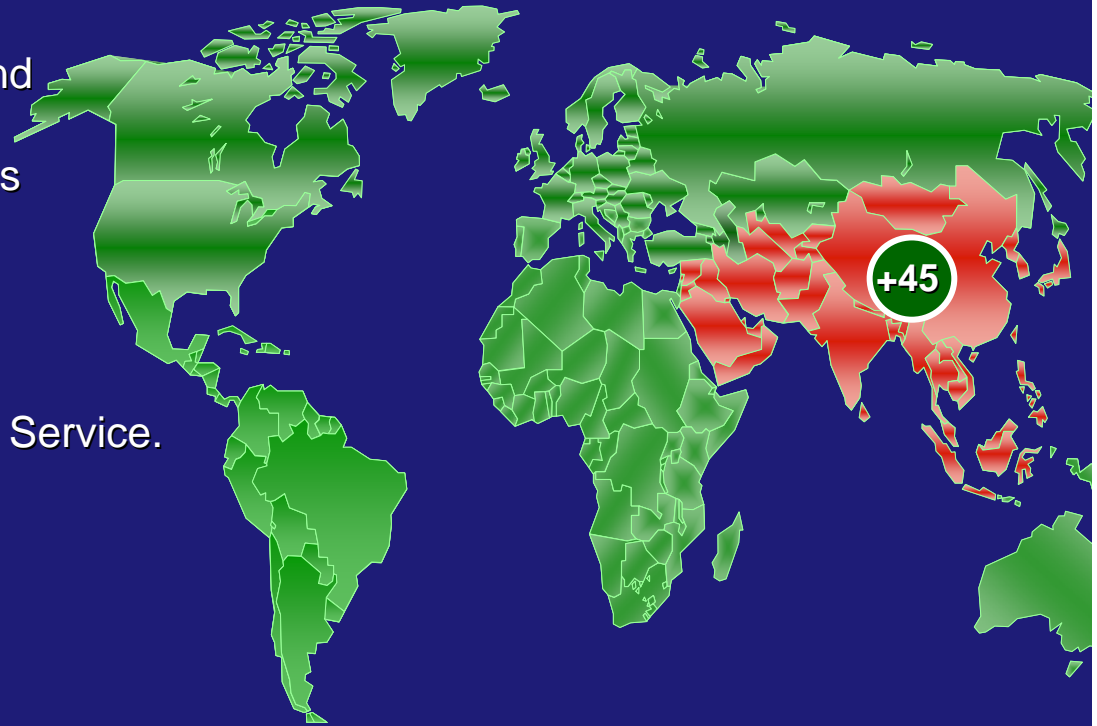


Highlights Asia

April – June 2006, at constant rates

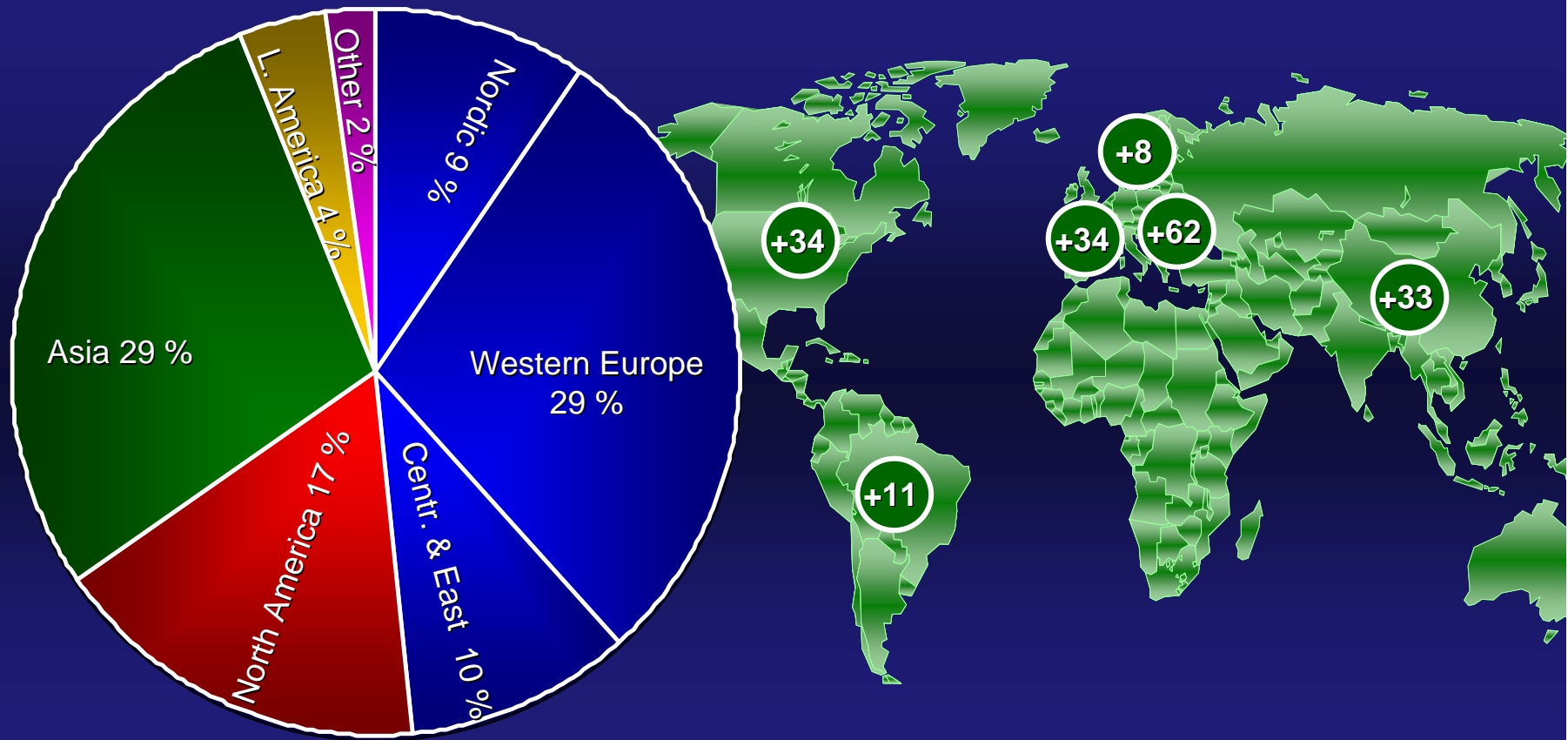
Asia

- Best growth in China, India and South East Asia.
- Energy focus driving Oil & Gas contractor sales in Korea and Japan.
- Strongest development in Comfort & Refrigeration, Process Industry and Parts & Service.



Orders received by Region

January – June 2006, at constant rates





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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK million

Apr – Jun 06

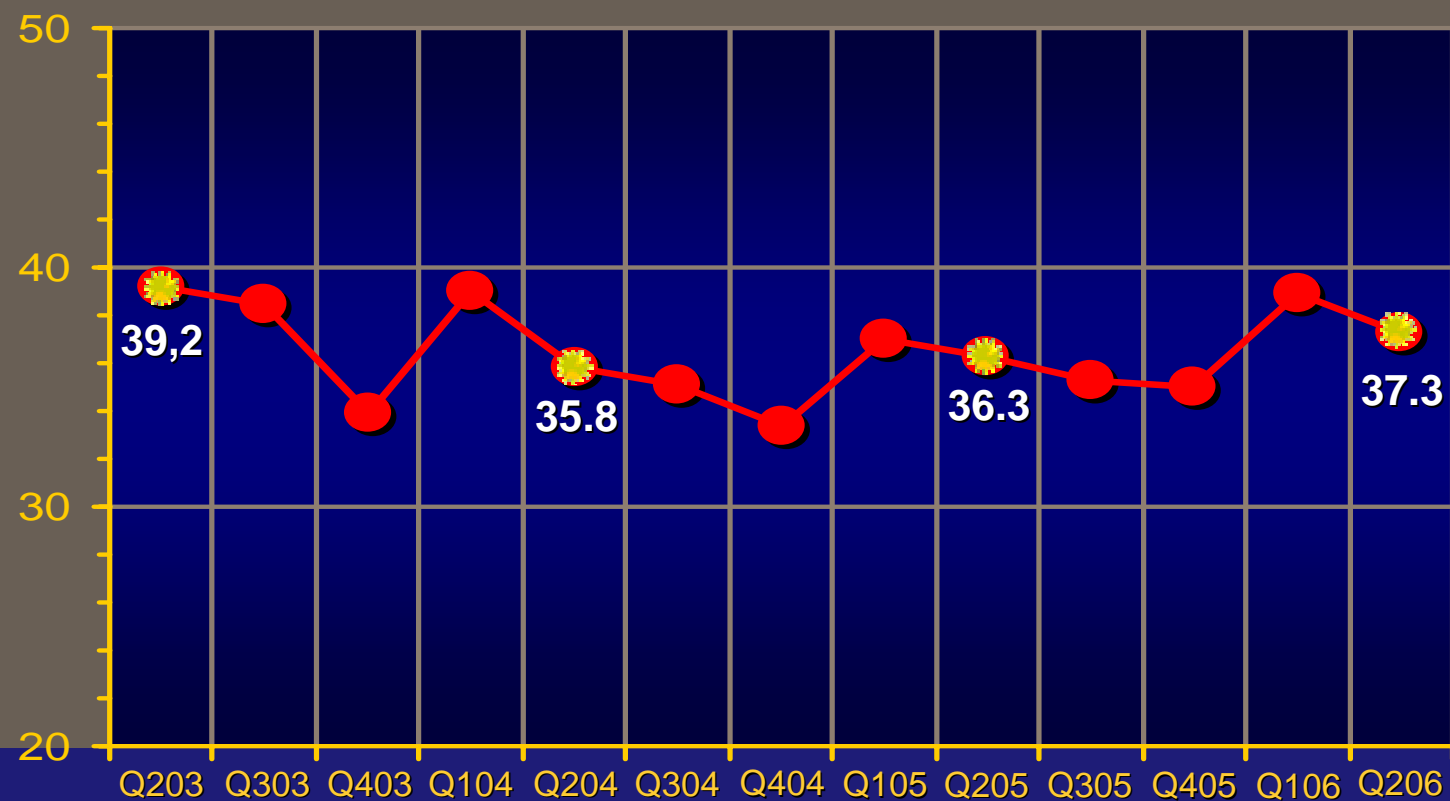
Order intake	6,217
Net sales	4,876
Adjusted EBITA	707
Adjusted EBITA-margin	14.5%

Adjusted EBITA

SEK million	Q2 06	H1 06
2005	422	752
2006	707	1,232
Deviation	+ 285	+ 480
FX. translation	- 10	- 56
FX. transaction	- 9	+ 7
Deviation excl FX	+ 266	+ 431

Gross profit margin

In percent of sales



Highlights

SEK million

Apr – Jun 06

Order intake	6,217
Net sales	4,876
Adjusted EBITA	707
Adjusted EBITA-margin	14.5%
Profit before tax	587

Earnings per share

	Q2 2006	Q2 2005	H1 2006	H1 2005
Earnings	3.97	2.17	6.87	2.65
Earnings excluding goodwill and step-up	4.49	2.60	7.89	3.53

Highlights

SEK million	Apr – Jun 06
Order intake	6,217
Net sales	4,876
Adjusted EBITA	707
Adjusted EBITA-margin	14.5%
Profit before tax	587
Cash flow from operating activities	517
ROCE	27.4
Excl. step-up and goodwill 66.5%	

Cash-flow statement

MSEK	H1 2006	H1 2005
Cash flows from		
- operating activities	909	294
- investing activities	-1,359	- 544
Financial net paid	- 20	- 113
Dividends	- 587	- 530
Total	-1,057	- 893
Pro Forma Free-cash-flow*	752	62

**Incl. operating activities, capital expenditure (excl. product rights), provisions and financial net paid.*

Foreign exchange

Estimated impact on adjusted EBITA from Fx. fluctuations

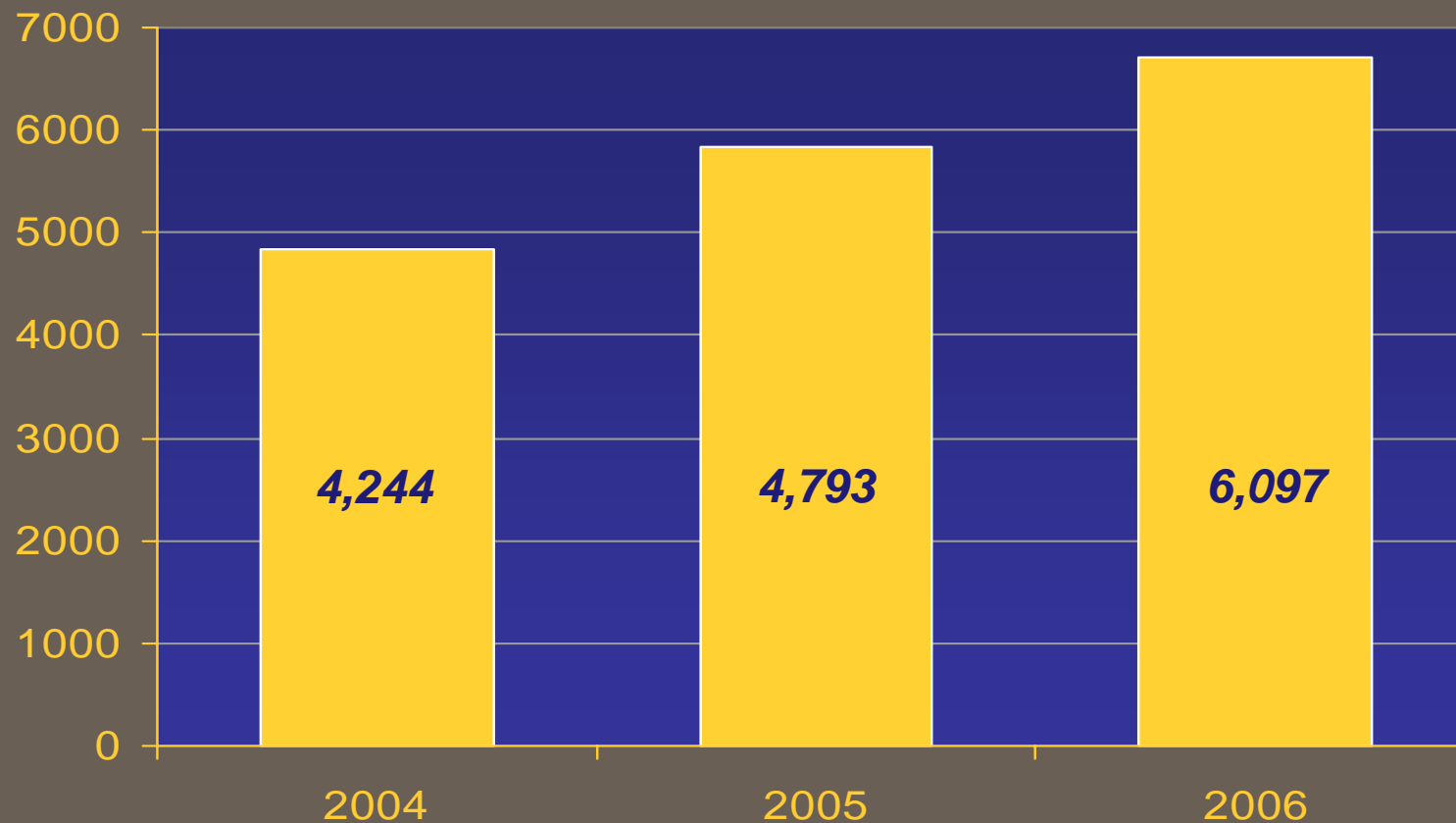
SEK million	Q2 2006	H1 2006	WY 06*	WY 07*
Translation effect	+ 10	+ 56	+ 75	0
Transaction effect	+ 9	- 7	+ 25	- 5
Total	+ 19	+ 49	+ 100	- 5

**Based on EUR/USD 1.25 and EUR/SEK 9.20*

Order backlog as per June 30

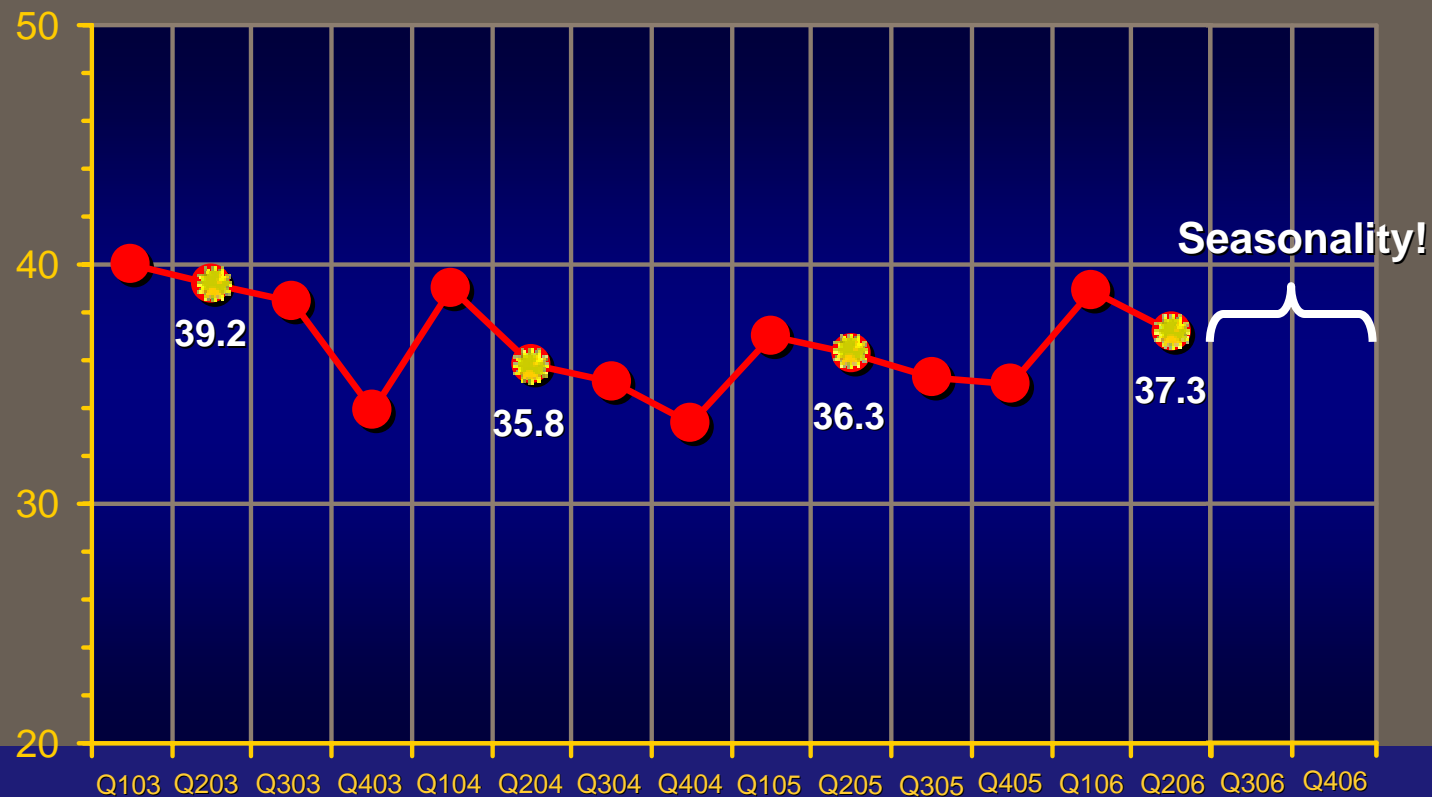
For delivery in the current year

SEK million



Gross profit margin

In percent of sales





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Outlook for the near future

“In most of the markets, geographical as well as customer segments, that Alfa Laval serves a continued very strong demand is expected.”



ALFA
ROMEO

The Alfa Romeo logo is rendered in a stylized, white, blocky font on a dark blue background. The word "ALFA" is positioned above "ROMEO". A thin white horizontal line runs through the middle of the letters. A curved white line arches over the top of the letters, and a horizontal white line runs through the middle of the letters.