Today’s program

Capital Markets Day, November 16, 2006

• Business update
  Lars Renström, Svante Karlsson, Ulf Granstrand and Thomas Thuresson

Lunch

Structural growth

• Technology conversions
  Svante Karlsson
  Q&A

Coffee

• Energy and energy related industries
  Ulf Granstrand
  Q&A

• BRIC – Brazil, Russia, India and China
  Ray Field and Lars Henriksson

• Q&A and closing remarks
  Lars Renström

approx 16.30
Share development

+77%
Orders received

- Rolling twelve months value
- Order intake per quarter

+xx% = % development at constant rates by quarter year on year
## Large orders 2006

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Country</th>
<th>Application</th>
<th>Industry</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>Ukraine</td>
<td>Refining</td>
<td>Food</td>
<td>2006-2007</td>
</tr>
<tr>
<td>65</td>
<td>India</td>
<td>Evaporation</td>
<td>Pulp and paper</td>
<td>2007</td>
</tr>
<tr>
<td>45</td>
<td>Belgium</td>
<td>Central cooling</td>
<td>Petrochemical industry</td>
<td>2007</td>
</tr>
<tr>
<td>240</td>
<td>Middle East</td>
<td>Central cooling</td>
<td>Gas production</td>
<td>2007-2008</td>
</tr>
<tr>
<td>60</td>
<td>China</td>
<td>Central cooling</td>
<td>Nuclear Power</td>
<td>2007-2008</td>
</tr>
<tr>
<td>80</td>
<td>Middle East</td>
<td>Processing</td>
<td>Gas production</td>
<td>2007</td>
</tr>
<tr>
<td>75</td>
<td>Qatar</td>
<td>Processing</td>
<td>Gas production</td>
<td>2007</td>
</tr>
<tr>
<td>50</td>
<td>Russia</td>
<td>Processing</td>
<td>Oil refining</td>
<td>2007</td>
</tr>
<tr>
<td>65</td>
<td>Oman</td>
<td>Aromatics</td>
<td>Petrochemical</td>
<td>2008</td>
</tr>
<tr>
<td>100</td>
<td>Kuwait</td>
<td>Aromatics</td>
<td>Petrochemical</td>
<td>2007</td>
</tr>
<tr>
<td>890</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Base business

- Good growth in Western Europe and North America
- Many orders to improve energy efficiency
- Approximately 80% of the total order intake
Orders received by Region

January – September 2006, at constant rates

- Asia: 30% (30% increase)
- North America: 17% (21% increase)
- Central & Eastern Europe: 10% (56% increase)
- Western Europe: 28% (40% increase)
- Nordic: 9% (24% increase)
- L. America: 4% (15% increase)
- Other: 2% (23% increase)

Orders received by Region:
- Central & Eastern Europe: 10% (56% increase)
- Western Europe: 28% (40% increase)
- Nordic: 9% (24% increase)
- Other: 2% (23% increase)
- L. America: 4% (15% increase)
- North America: 17% (21% increase)
- Asia: 30% (30% increase)
Adjusted EBITA / margin *

SEK million and in percent of sales

Q303 Q403 Q104 Q204 Q304 Q404 Q105 Q205 Q305 Q405 Q106 Q206 Q306

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

Reversal of provisions SEK 40 million
Improved EBITA-margin

- Focus on profitability
  - Price leadership / pricing power
  - Price management for improved product mix and customer mix
- High capacity utilization
- Improved internal efficiency
Raised EBITA-margin target

New target: 12-15 % (10-13%)

- Improved product mix
- Improved productivity
- Structural increase in demand from energy related industries
Geographic presence

20%

50%

30%
Products and time-to-market

New products

AlfaNova 400

Alfa Laval Gunclean Toftejorg i65 S

Alfa Laval Unique SSV

Alfa Laval HSS BD 95 / BD 110

Alfa Laval Decanter P2

www.alfalaval.com
Parts & Service
Orders received first nine months, SEK million

- **2004**: 2700 (growth +5%)
- **2005**: 2900
- **2006**: 3500 (growth +13%)

www.alfalaval.com
**Acquisitions**

### Tranter – from March 2006

Tranter is a premium brand offering a wide range of plate and frame and welded heat exchanger products.

<table>
<thead>
<tr>
<th>Customer segments:</th>
<th>Industrial, Marine, Heating Ventilation Air Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year 2006:</td>
<td>SEK 1,100 million</td>
</tr>
<tr>
<td>Employees:</td>
<td>450 (R&amp;D, manufacturing, sales)</td>
</tr>
<tr>
<td>Head office:</td>
<td>US</td>
</tr>
<tr>
<td>Manufacturing units:</td>
<td>US</td>
</tr>
<tr>
<td></td>
<td>Sweden</td>
</tr>
<tr>
<td></td>
<td>India</td>
</tr>
</tbody>
</table>
Reasons for acquiring Tranter

- Well managed and profitable company
- Strong brand
- Global presence equally distributed between Americas, Europe and rest of the world
Complementary acquisitions

- Products
- Channels
- Geography
Globalization drives transportation by sea
- Economic growth in China and India
- Technology conversions
- Energy and energy related industries
Structural growth

- Globalization drives transportation by sea
- Economic growth in China and India
- Technology conversions
- Energy and energy related industries
  - Oil- and gas exploration
  - Gas liquefaction (LNG and GTL)
  - Refineries
  - Petrochemicals
  - Bio ethanol / Bio diesel
  - District cooling
  - Reduce energy consumption / energy conservation
Structural growth

Energy and energy related industries

Technology conversions

BRIC-countries
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Closing remarks

Structural growth

- Globalization drives transportation by sea
- Economic growth in China and India
- Technology conversions
- Energy and energy related industry
- Capital Markets Day on Tuesday, the 13th of November 2007