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

ALFA
ROMEO

Interim Report Q1 2005

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

Mr. Lars Renström
President and CEO
Alfa Laval Group

Key figures

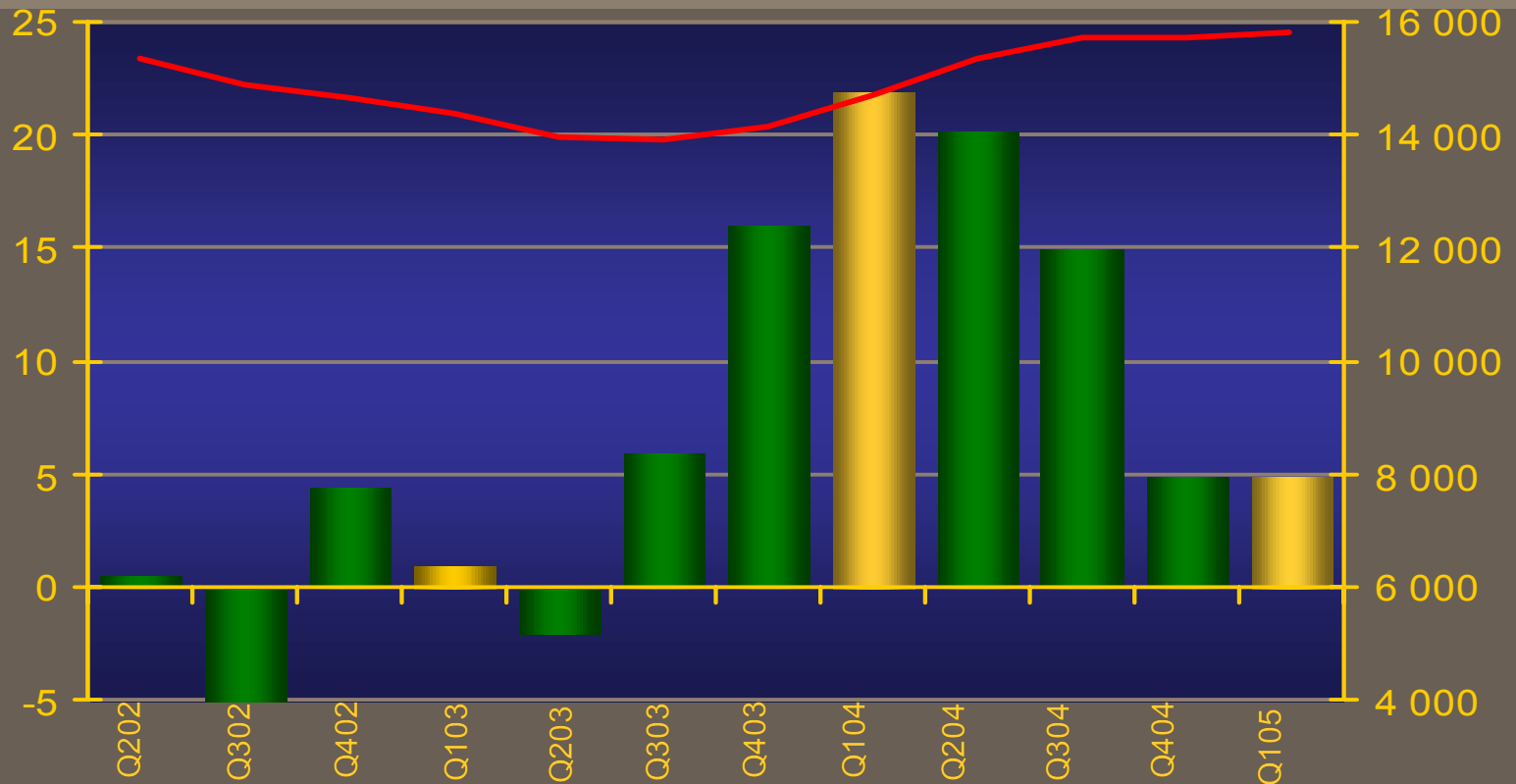
January – March 2005

- Orders received: up 5.1% to SEK 4,004 million
- Net sales: up 5.6% to SEK 3,268 million
- Adjusted EBITA: SEK 330 million (383)
- Negative currency effect SEK 42 million

Orders received

% Q on Q

SEK million R 12

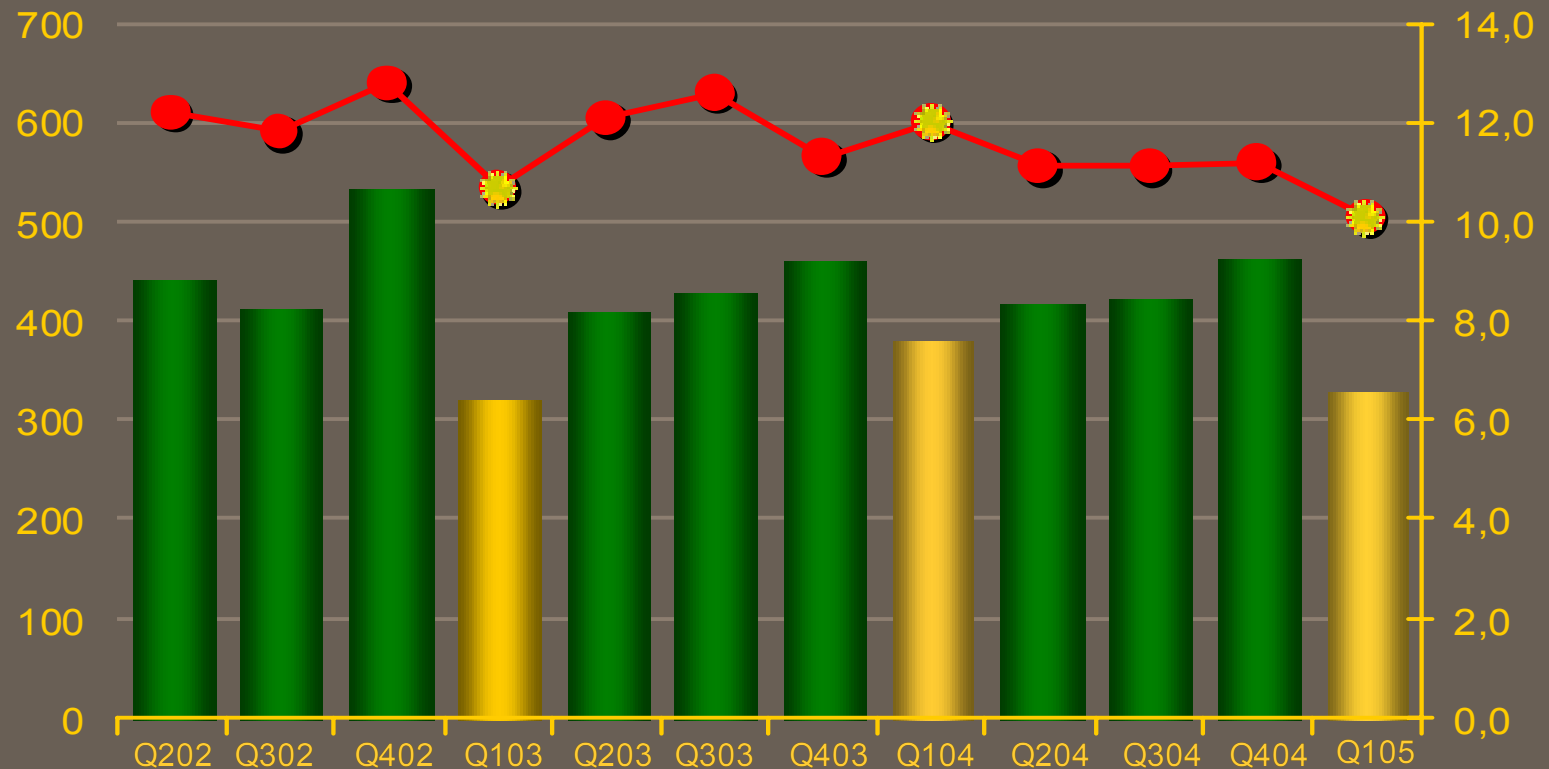


Order analysis

SEK million	Jan – Mar 05
2004	3,929
Structural change, %	+ 1
Currency, %	- 3
Organic development, %	+ 4
Total, %	+ 2
2005	4,004

Adjusted EBITA / margin *

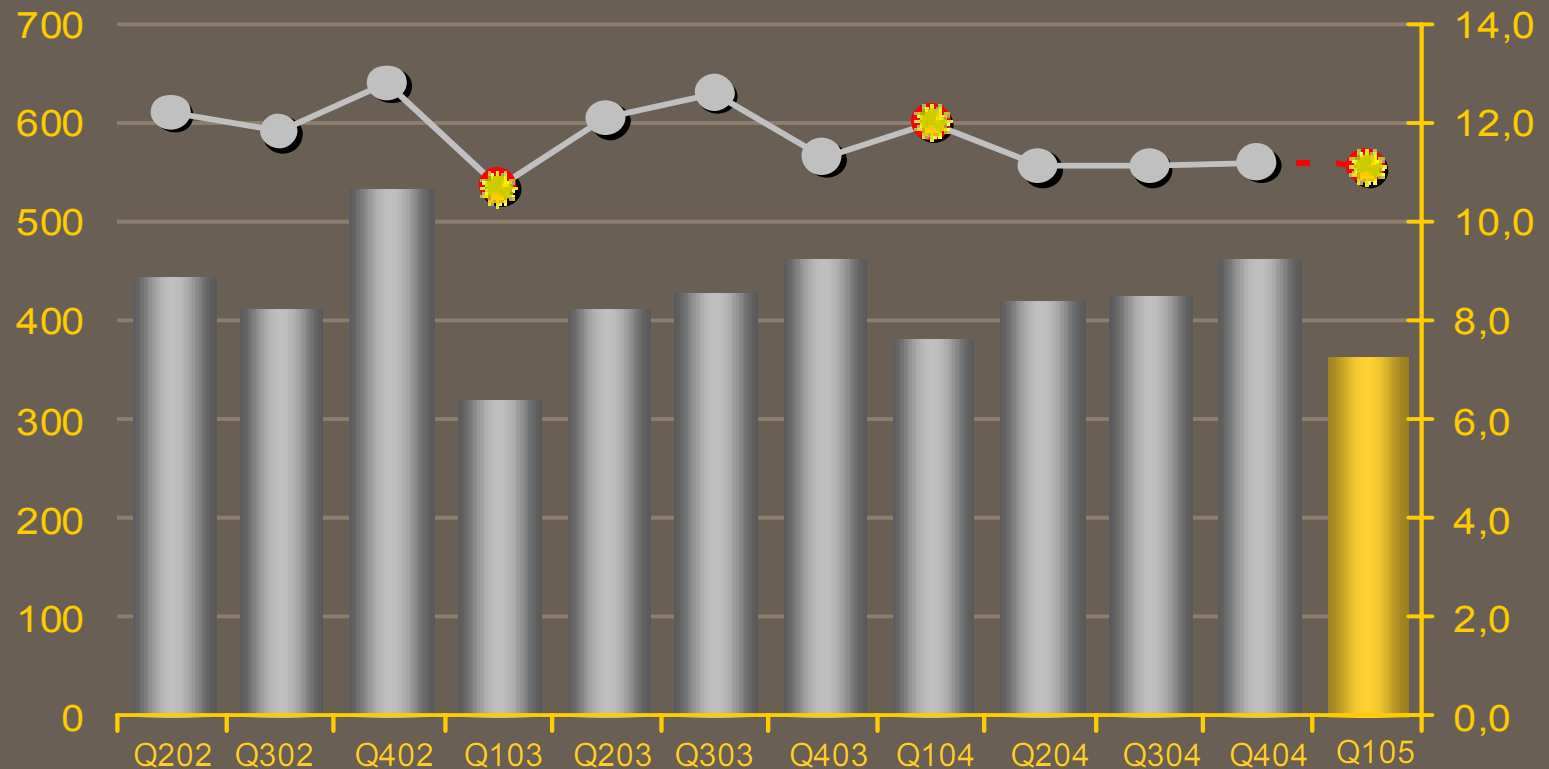
SEK million and in percent of sales



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

Adjusted EBITA / margin *

SEK million and in percent of sales, excluding FX-transaction effects Q105



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

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Highlights

January – March 2005

- Acquisition of the French company Packinox

Packinox

In a nutshell

World leader in large welded plate heat exchangers for the hydrocarbon industry.

Customer segments:

Annual sales (est 2005):

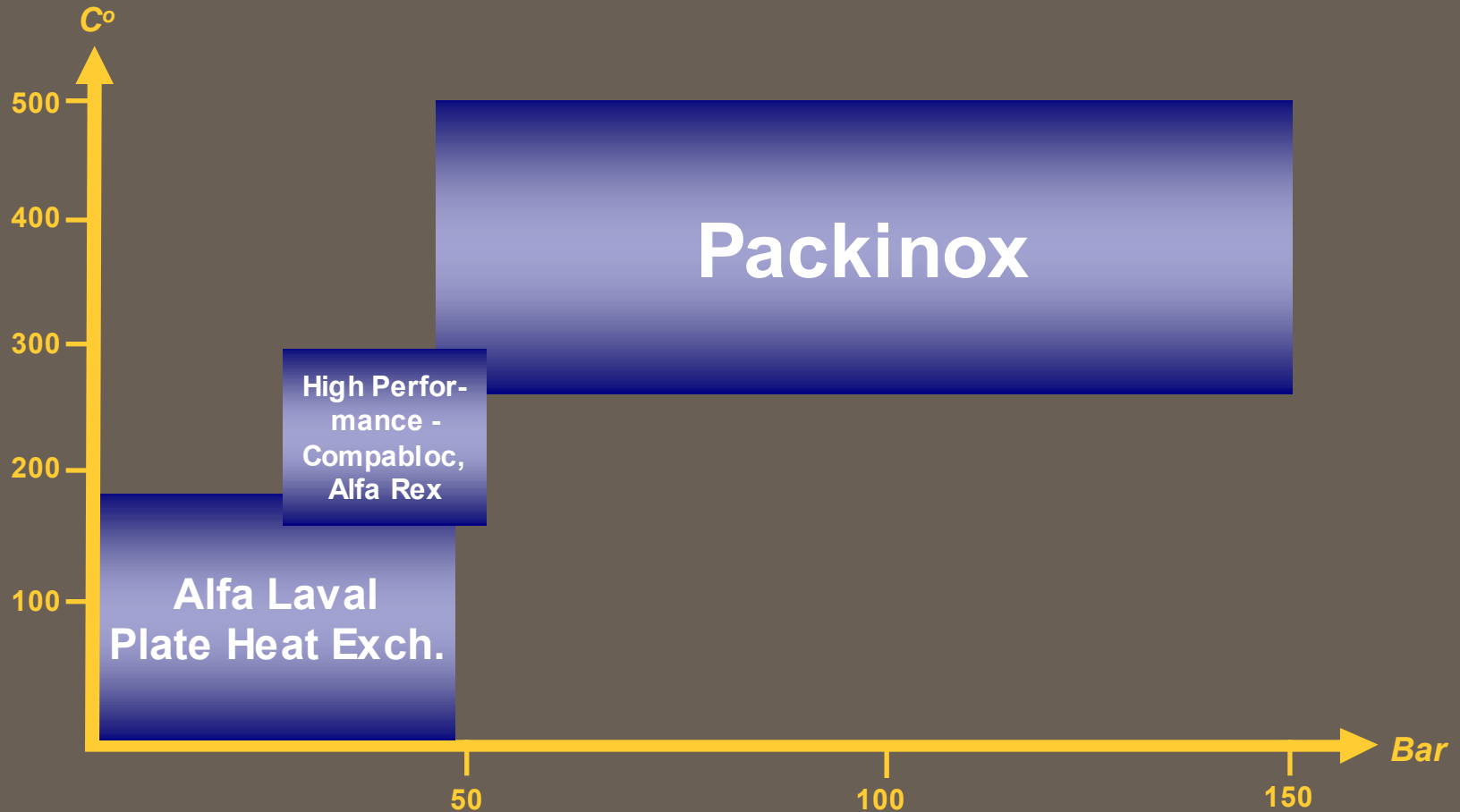
Employees:

Refineries and Petrochemicals

MSEK 450

145 (R&D, manufacturing, sales)

The strategic fit



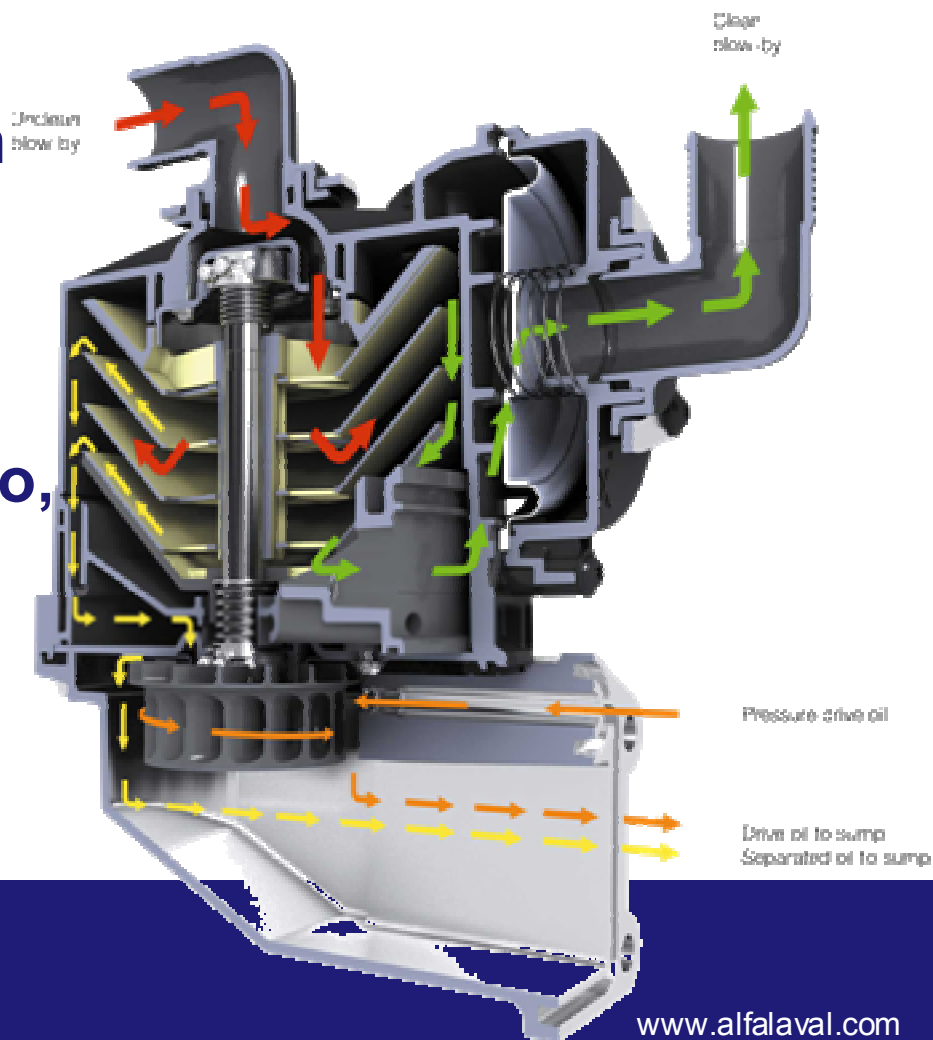
Highlights

January – March 2005

- Acquisition of the French company Packinox
- Alfdex-order from Volvo

Alfdex-order from Volvo

- Value: SEK 400 million over five years
- Serial deliveries from end of 2005
- All Volvo-brands; Volvo, Renault and Merck



Highlights

January – March 2005

- Acquisition of the French company Packinox
- Alfdex-order from Volvo
- Environmentally friendly solutions to Fincantieri

Highlights

January – March 2005

- Acquisition of the French company Packinox
- Alfdex-order from Volvo
- Environmentally friendly solutions to Fincantieri
- Further optimization of the global manufacturing structure

Further optimization of the global manufacturing structure

- Closure of units in Spain and Canada
- Savings: first 12 months: SEK 50 million
after that further savings
- Total cost SEK 125 million
(non-recurring item in first quarter 2005)

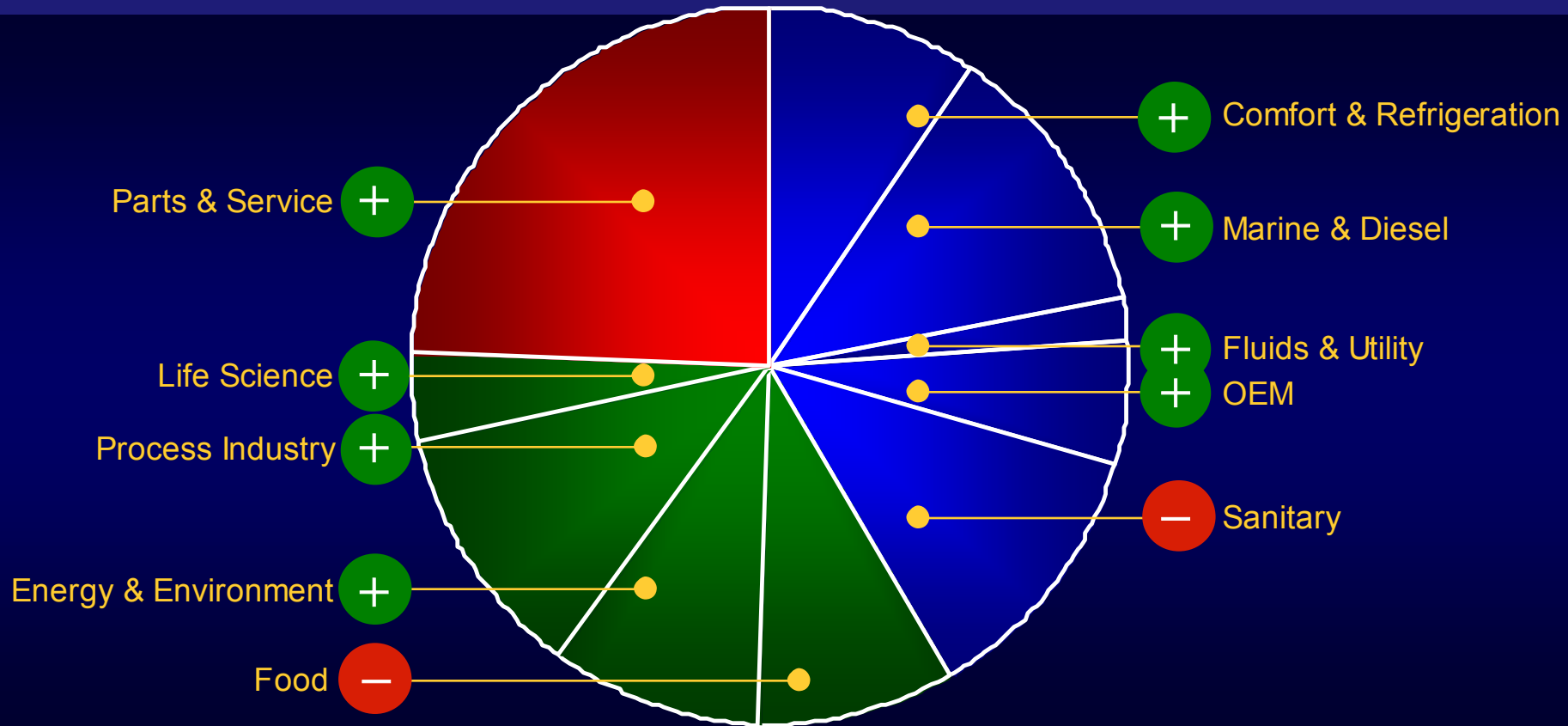
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Orders received by Segment

January – March 2005, at constant rates



Environmental applications create growth

Example: Applications for the Marine industry



Bilge water
Ballast water
Crank case ventilation

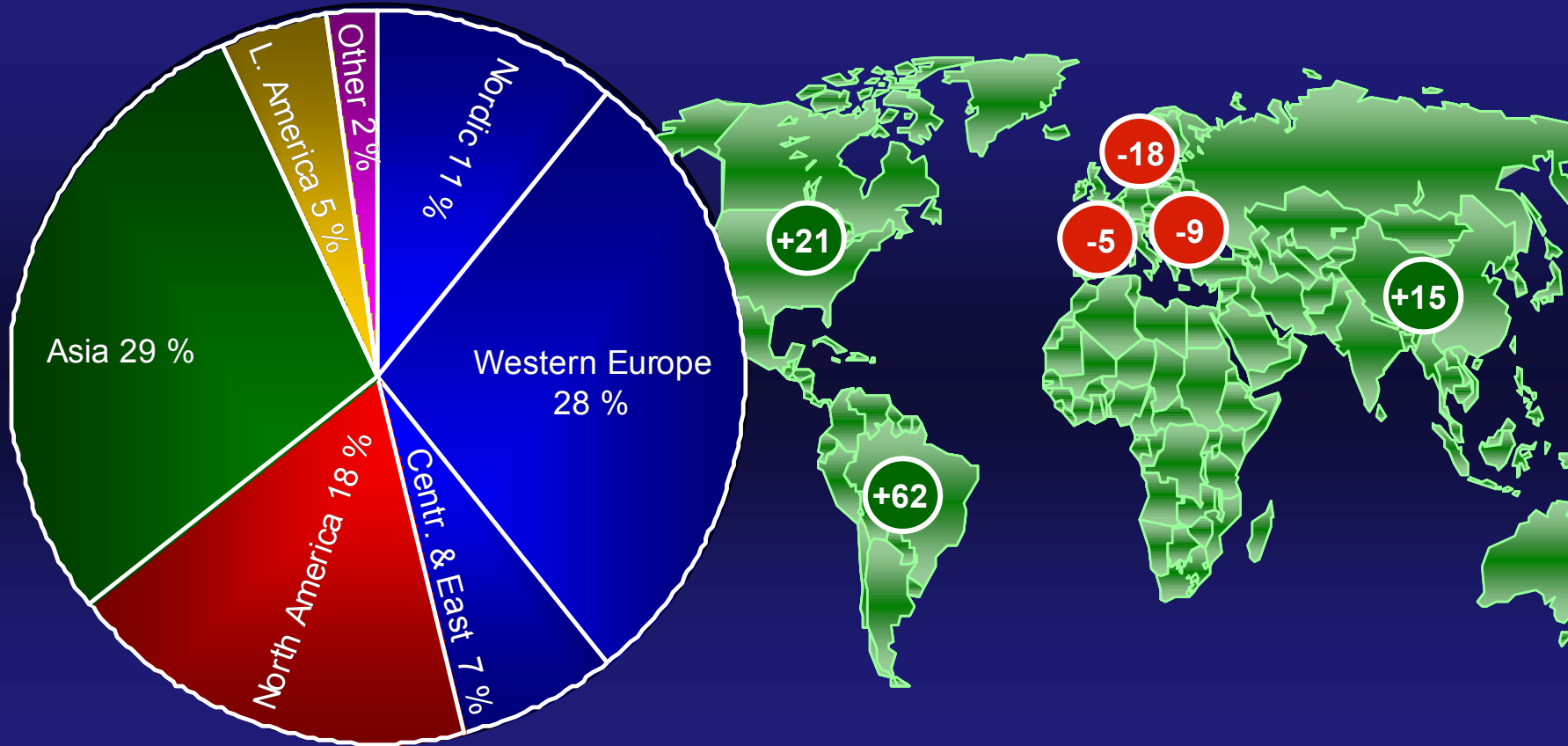
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Alfa Laval Group

Orders received by Region

January – March 2005, at constant rates



Highlights Americas

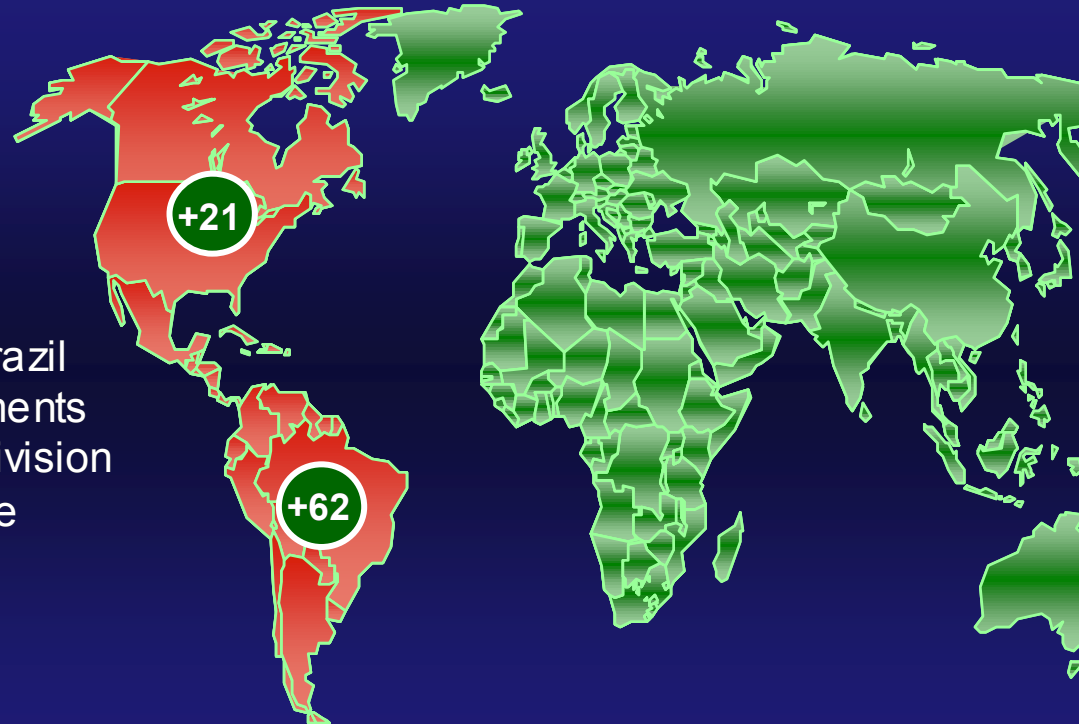
January – March 2005, at constant rates

North America

- Strong growth
- All segments above 2004 except Sanitary

Latin America

- Continued strong growth in Brazil
- Increased demand in all segments within Process Technology Division
- High growth in Parts & Service



Highlights Europe

January – March 2005, at constant rates

Western Europe incl. Nordic

- MidEurope, Adriatic and Iberia above 2004
- Nordic, Benelux and France below

Central and Eastern Europe

- Turkey and Ukraine strong
- Lower project activity in Russia
- Very good growth for Parts & Service

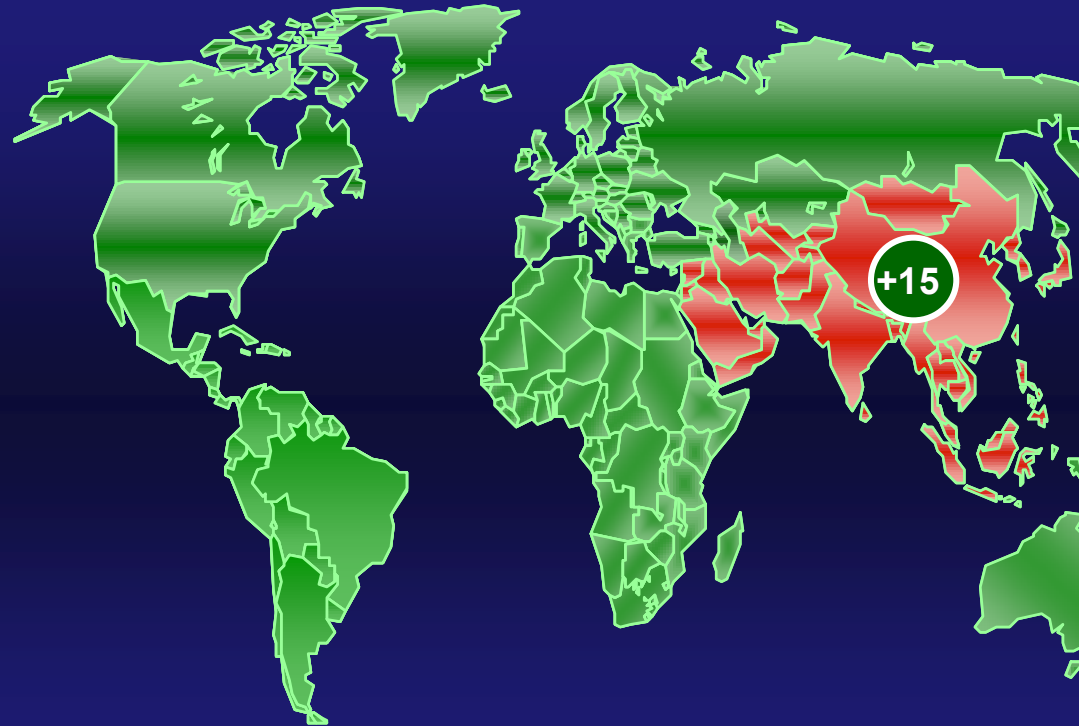


Highlights Asia

January – March 2005, at constant rates

Asia

- Very strong growth in Japan
- Moderate growth in China and India
- Continued strong growth in Parts & Service



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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK million

Jan – Mar 05

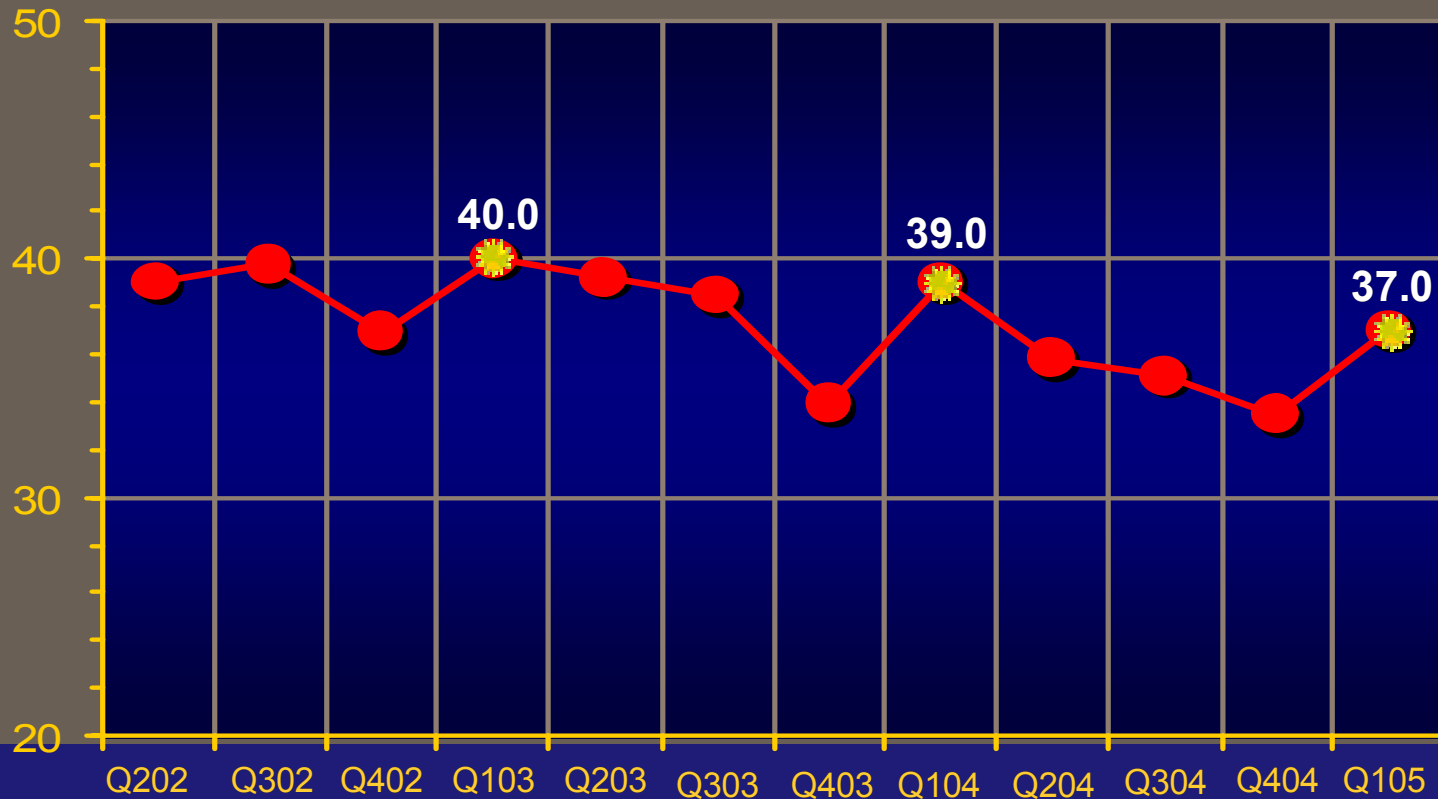
Order intake	4,004
Net sales	3,268
Adjusted EBITA	330
Adjusted EBITA-margin	10.1%

Adjusted EBITA

SEK million	Jan – Mar 05
2004	383
2005	330
Deviation	-53
FX. translation	9
FX. transaction	33
Deviation excl FX	-11

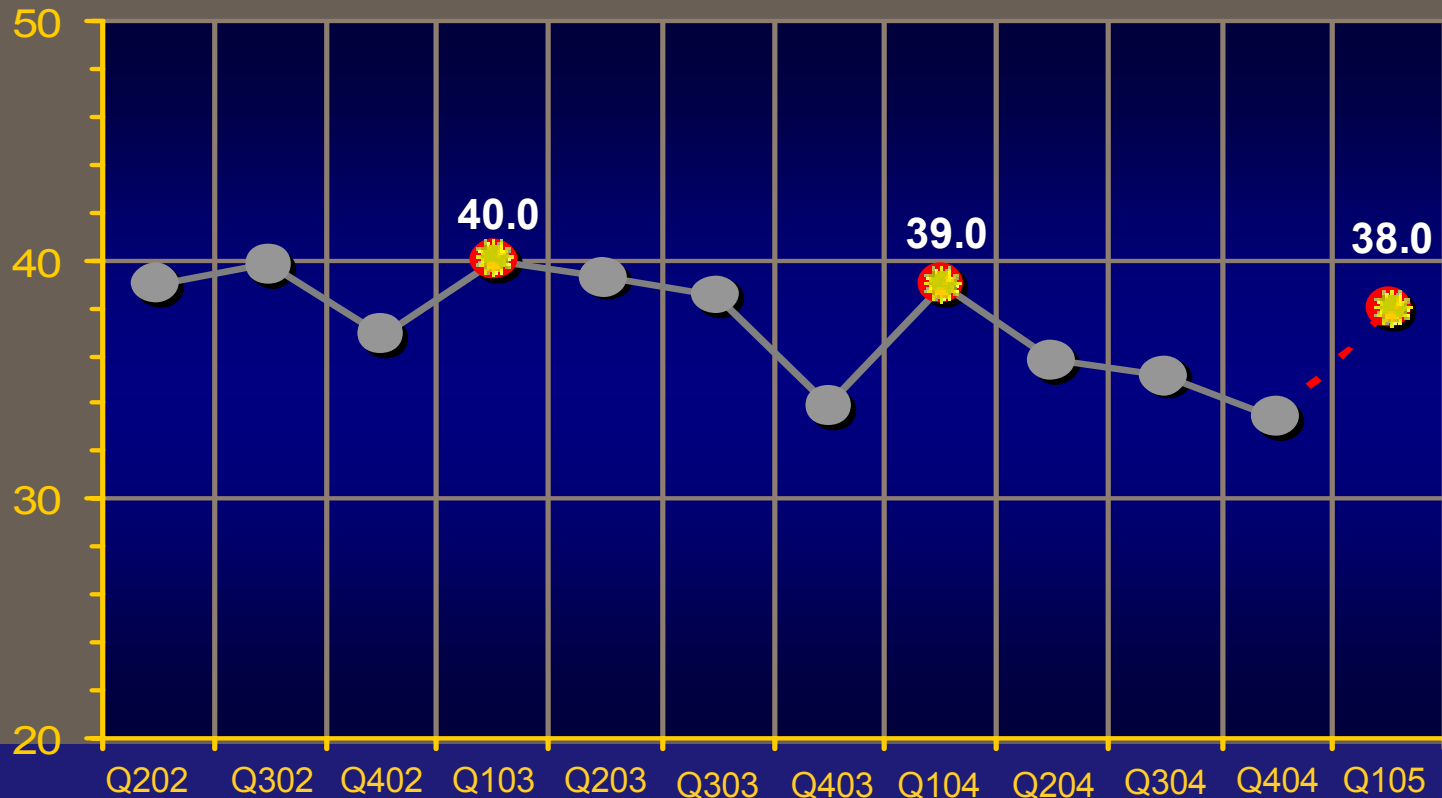
Gross profit margin

In percent of sales



Gross profit margin

In percent of sales, excluding FX-transaction effects Q105



Highlights

SEK million	Jan – Mar 05
Order intake	4,004
Net sales	3,268
Adjusted EBITA	330
Adjusted EBITA-margin	10.1%
Profit before tax	76

Earnings per share

	Q1 2005	IFRS Q1 2004
Earnings	0.49*	1.38
Earnings excluding goodwill and step-up	0.93*	1.83

* Excluding restructuring charge of SEK 125 million an additional 0.75 SEK per share

Highlights

SEK million	Jan – Mar 05
Order intake	4,004
Net sales	3,268
Adjusted EBITA	330
Adjusted EBITA-margin	10.1%
Profit before tax	76
Cash flow from operating activities	17
ROCE	21.0%
Excl. step-up and goodwill approx. 55%	

Cash-flow statement

MSEK	Q1 2005	Q1 2004
Cash flows from		
- operating activities	17	293
- investing activities	- 483	- 38
Financial net paid	2	- 44
Dividends	-	-
Total	- 464	210
Pro Forma Free-cash-flow*	- 40	214

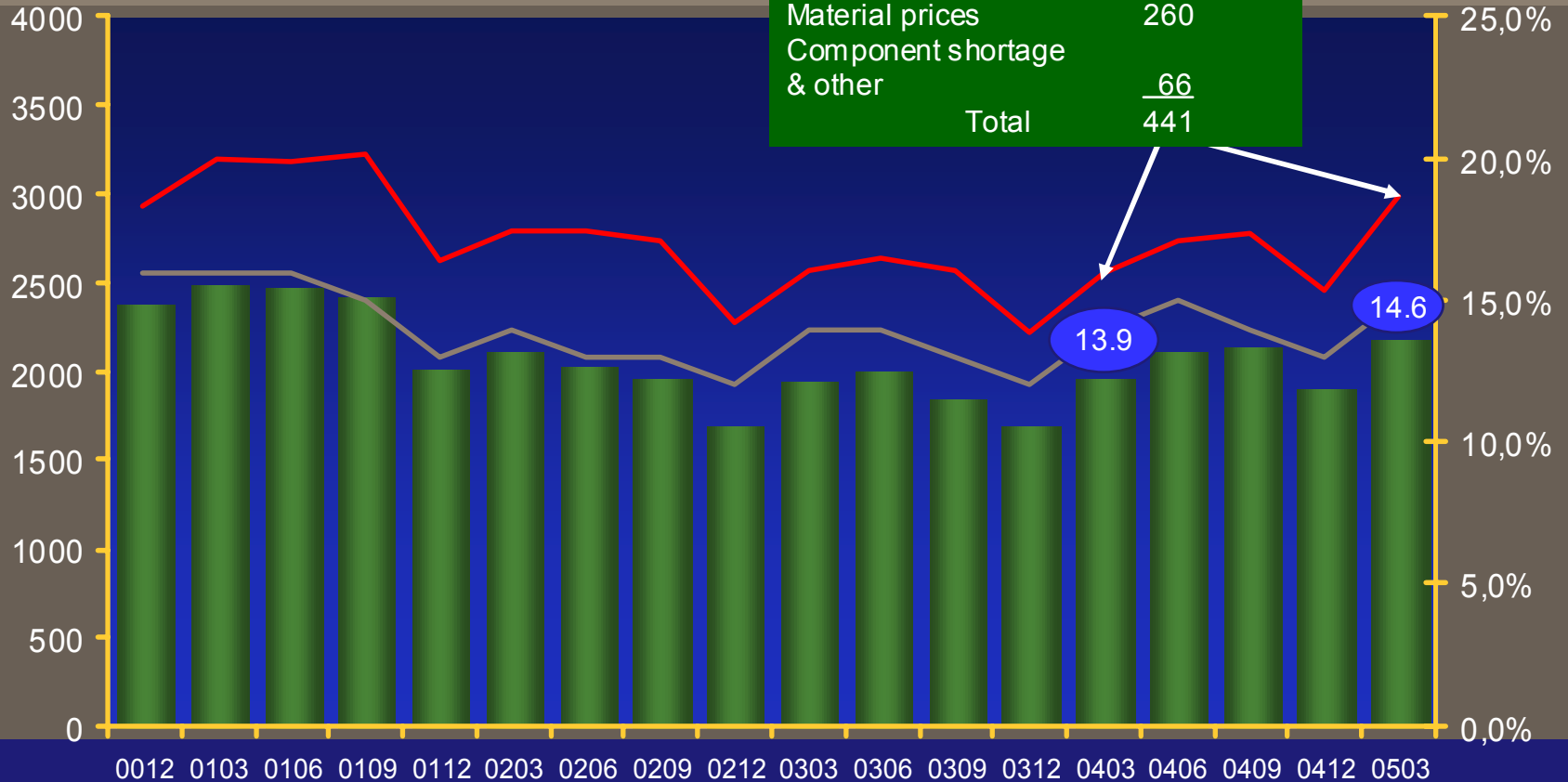
**Incl. operating activities, capital expenditure (excl. product rights), provisions and financial net paid.*

Inventory and Advances

SEK million

Mar 31, 2004 → Mar 31, 2005

Volume & Fx	115 MSEK
Material prices	260
Component shortage & other	<u>66</u>
Total	441



Inventory net of Advances

Inventory net of Advances
In percent of net invoicing

Inventory in percent
of net invoicing

Accounts Receivable

SEK million



Accounts Receivable

Accounts Receivable
In percent of net invoicing

Foreign exchange

Estimated impact on adjusted EBITA from Fx. fluctuations

SEK million	Q1 2005	WY 05*
Translation effect	- 9	- 35
Transaction effect	- 33	- 165
Total	- 42	- 200

**Based on EUR/USD 1.30 and EUR/SEK 9.10*

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Outlook for the near future

Alfa Laval is expecting ...

...a continued demand on the present high level.

...that the current high price level for some raw materials will remain, at least short term.

The image features a stylized, white, geometric representation of the Alfa Romeo logo on a dark blue background. The logo is composed of two rows of characters. The top row contains the letters 'A', 'L', 'F', 'A' in a bold, sans-serif font. The bottom row contains the letters 'R', 'O', 'M', 'E', 'O' in a similar font. The letters are interconnected and have a modern, angular design. A thin white horizontal line runs through the middle of the logo, and a thin white curved line arches over the top of the letters.

ALFA
ROMEO