

ALFAVAL

Interim Report Q1 2006

- 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 2006

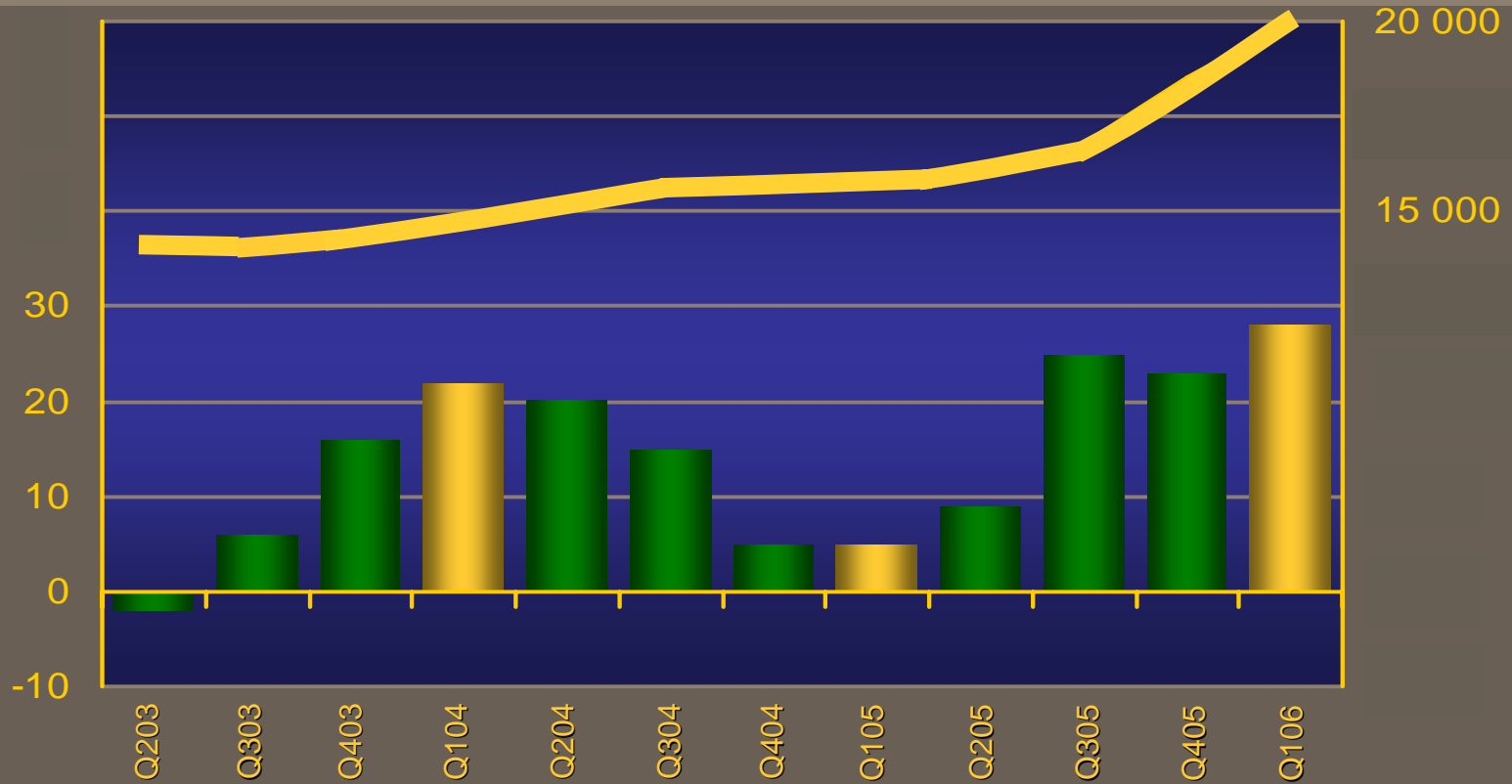
- Orders received up 28% to SEK 5,481 million
- Net sales up 16% to SEK 4,076 million
- Adjusted EBITA SEK 525 million (330)

- Positive currency effect SEK 30 million

Orders received

% Q. on Q.

SEK million R 12



 = rolling twelve months value

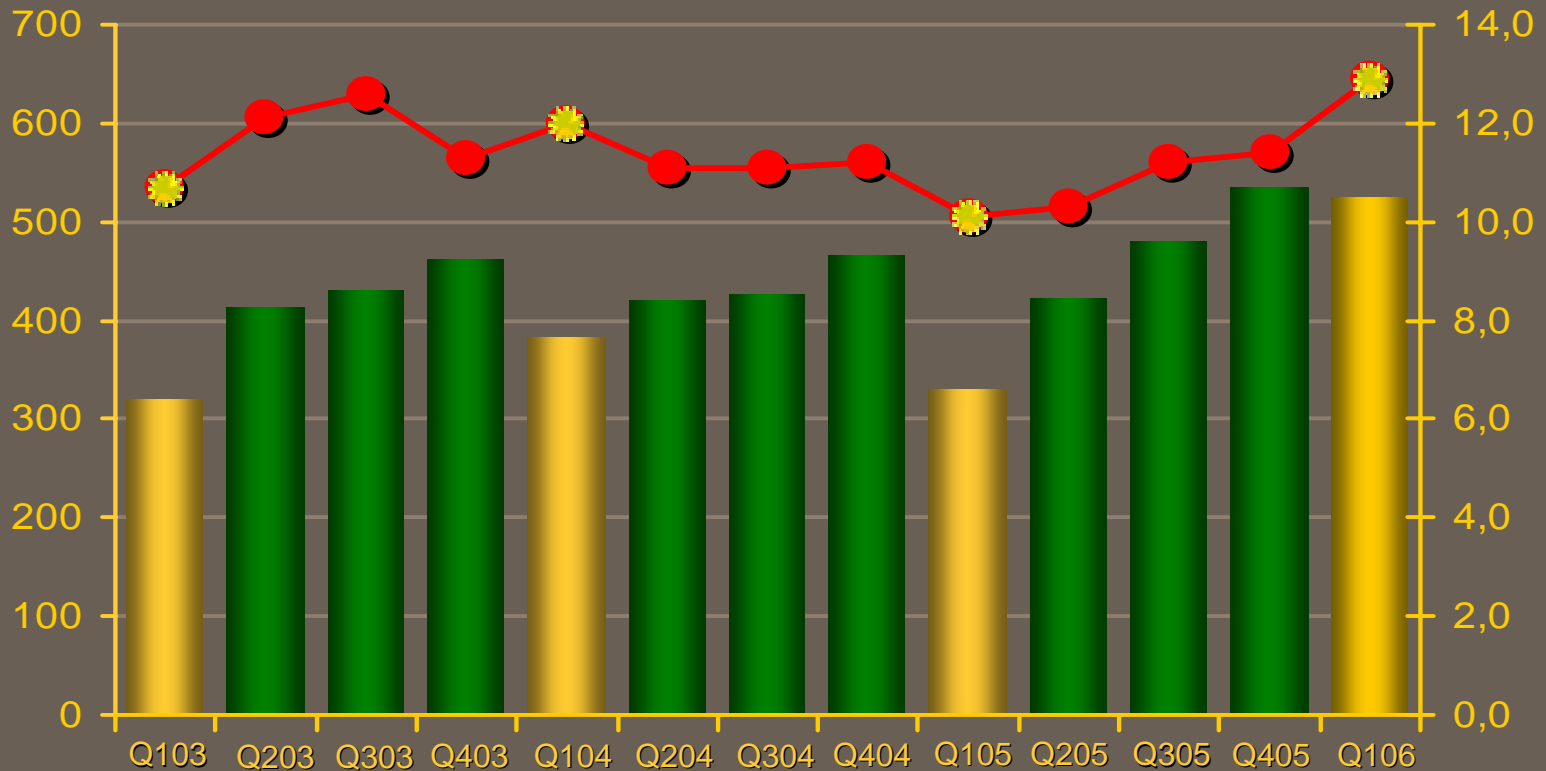
  = % development compared with the same quarter the year before

Order analysis

SEK million	Jan – Mar 06
2004	4,004
Structural change, %	+ 2
Currency, %	+ 9
Organic development, %	+ 26
Total, %	+ 37
2005	5,481

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

January – March 2006

- Acquisition of Tranter completed.

Highlights

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- Order for 13 processing lines, SEK 110 million.
 - Used for refining and modification of seed oils and tropical oils by a company Ukraine. Delivery in 2006 and 2007.

Highlights

January – March 2006

- Acquisition of Tranter completed.
- Order for 13 processing lines, SEK 110 million.
- Order from a major paper mill in India, SEK 65 million.
 - Capacity 340 tons water evaporation per hour. Delivery in 2007.

Highlights

January – March 2006

- Acquisition of Tranter completed.
- Order for 13 processing lines, SEK 110 million.
- Order from a major paper mill in India, SEK 65 million.
- Order for petrochemical plant in Belgium, SEK 45 million.
 - Customers: BASF and Dow Chemical. Delivery in 2007.

Highlights

January – March 2006

- Acquisition of Tranter completed.
- Order for 13 processing lines, SEK 110 million.
- Order from a major paper mill in India, SEK 65 million.
- Order for petrochemical plant in Belgium, SEK 45 million.
- Alfdex-agreement with Daimler-Chrysler.

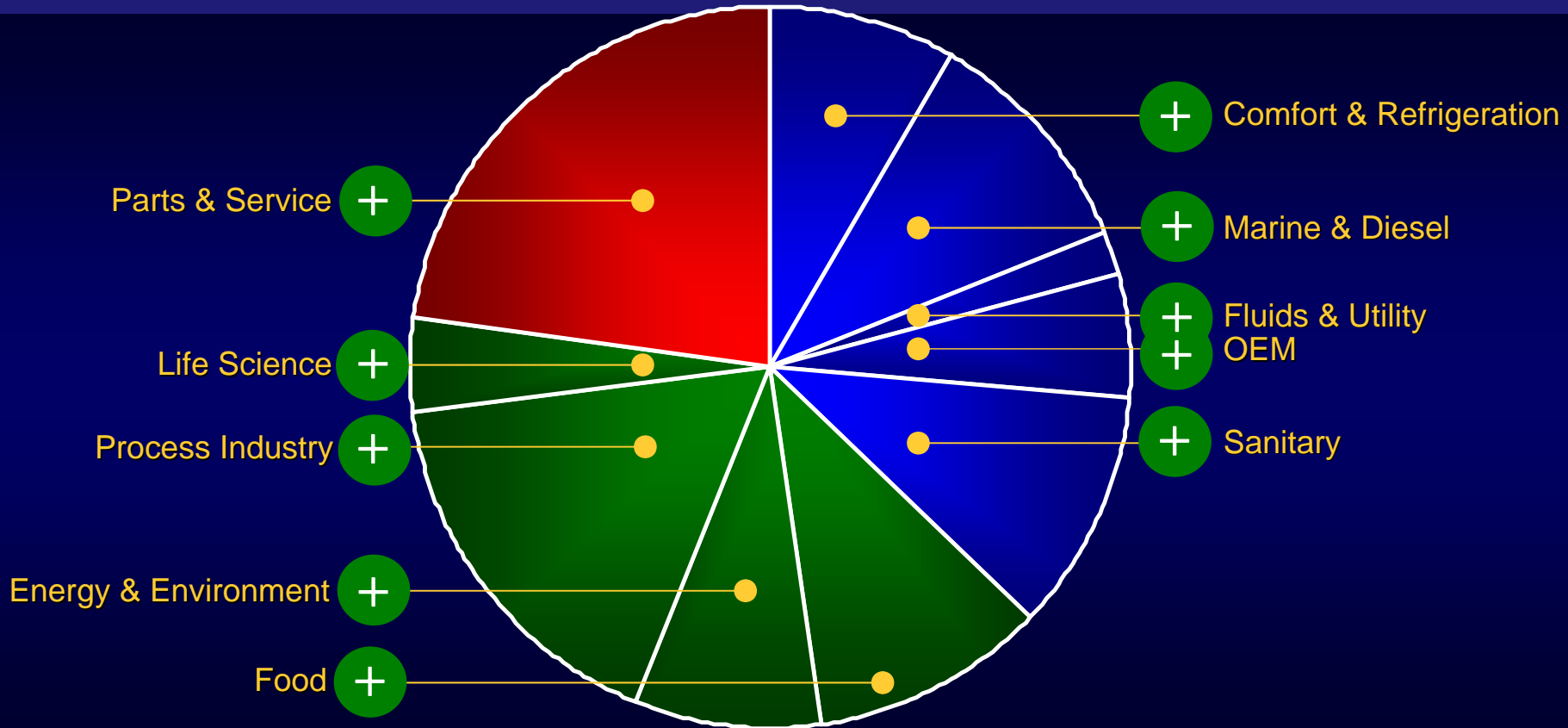
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Orders received by Segment

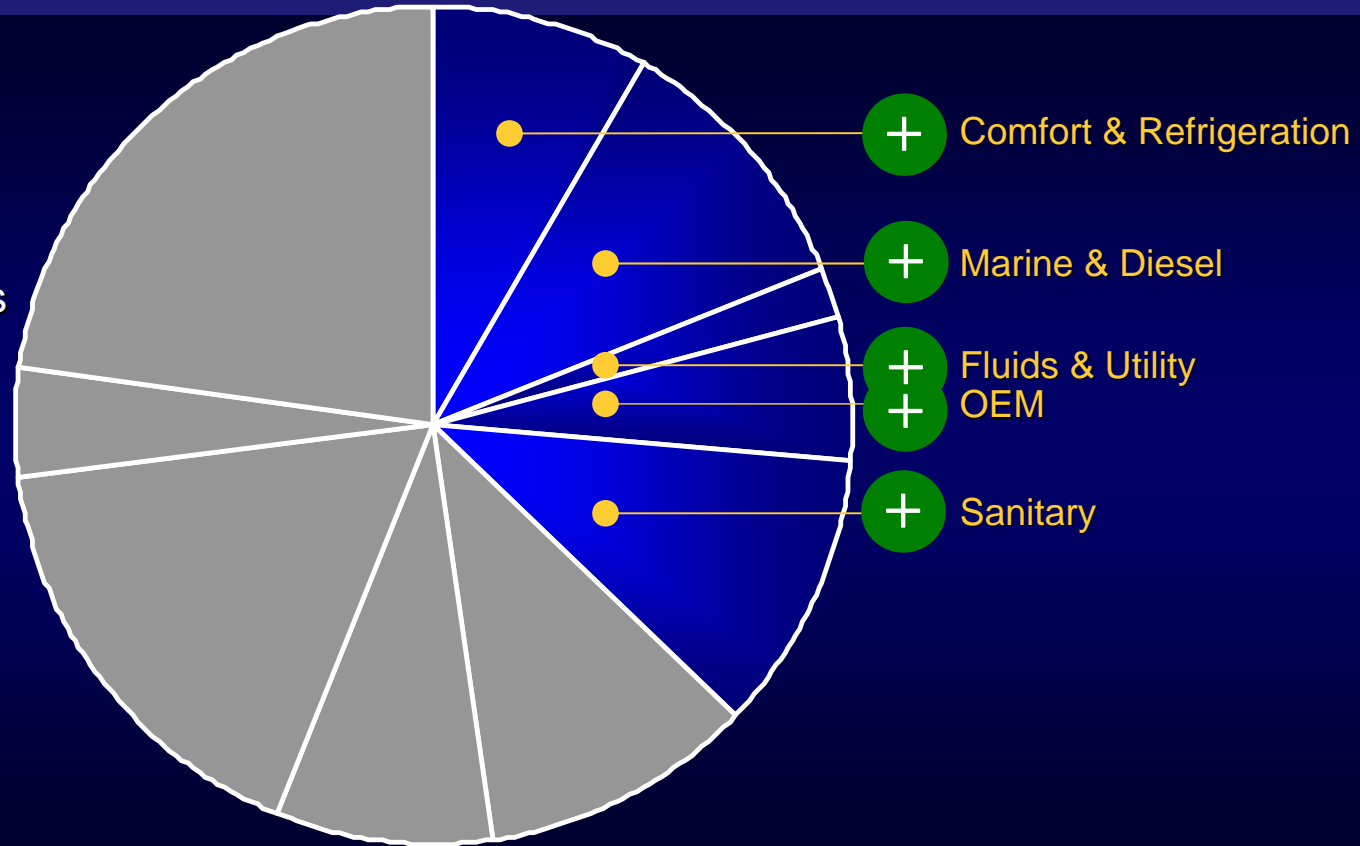
January – March 2006, at constant rates



Orders received by Segment

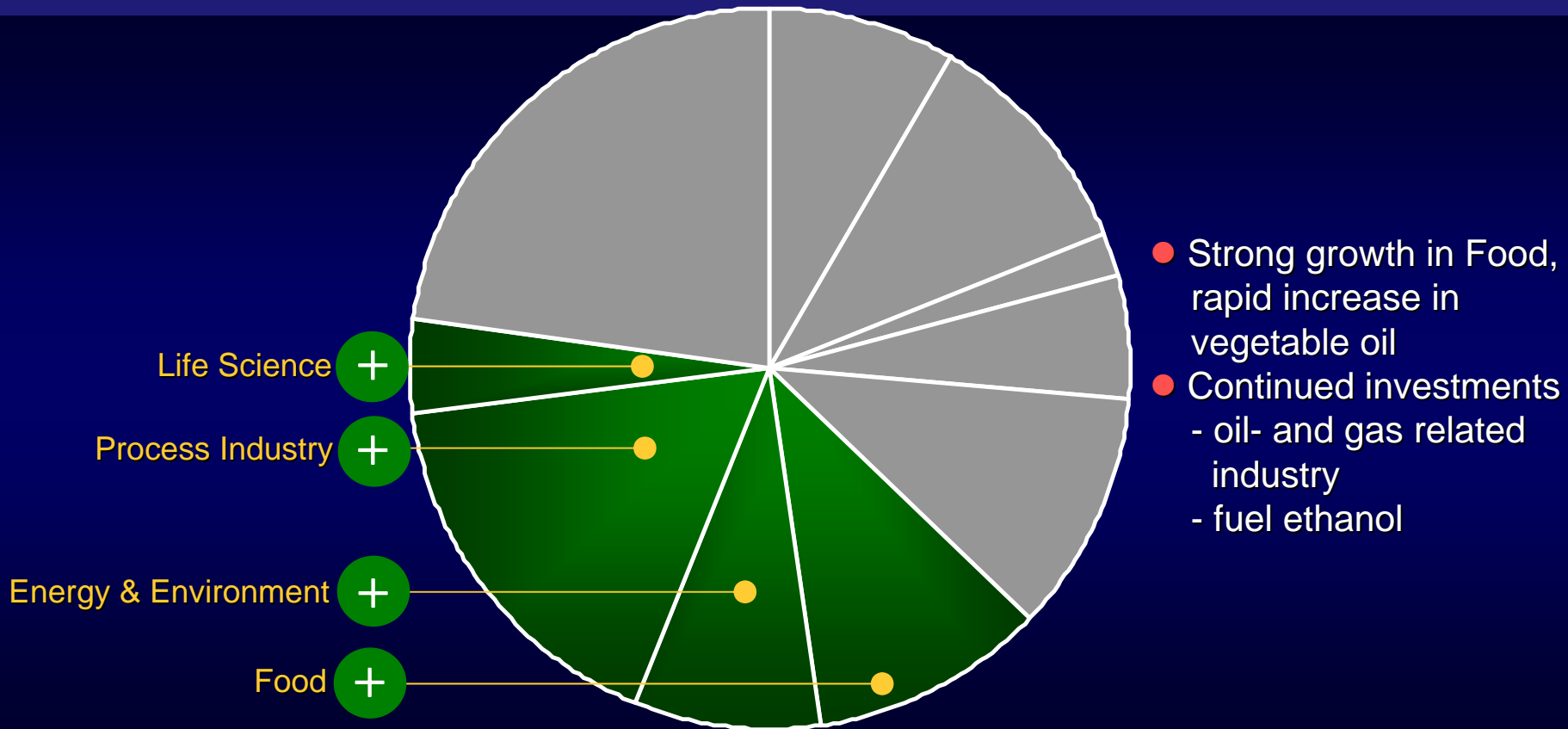
Equipment Division, January – March 2006, at constant rates

- Good recovery in the food markets
- Increased investments in the HVAC market, especially in the Middle East
- The marine shipyards have a record order book – a slow-down is estimated



Orders received by Segment

Process Technology Division, January – March 2006, at constant rates



Tranter



Acquisition completed

- Estimated full year sales 2006: USD 125 million.
- Consolidated from March 1, 2006.
- Anticipated procurement synergies confirmed.
- Continue as an independent market channel.
- Offer its own product range under the Tranter brand through its own distribution network.
- Maintain its own R&D and manufacturing units.

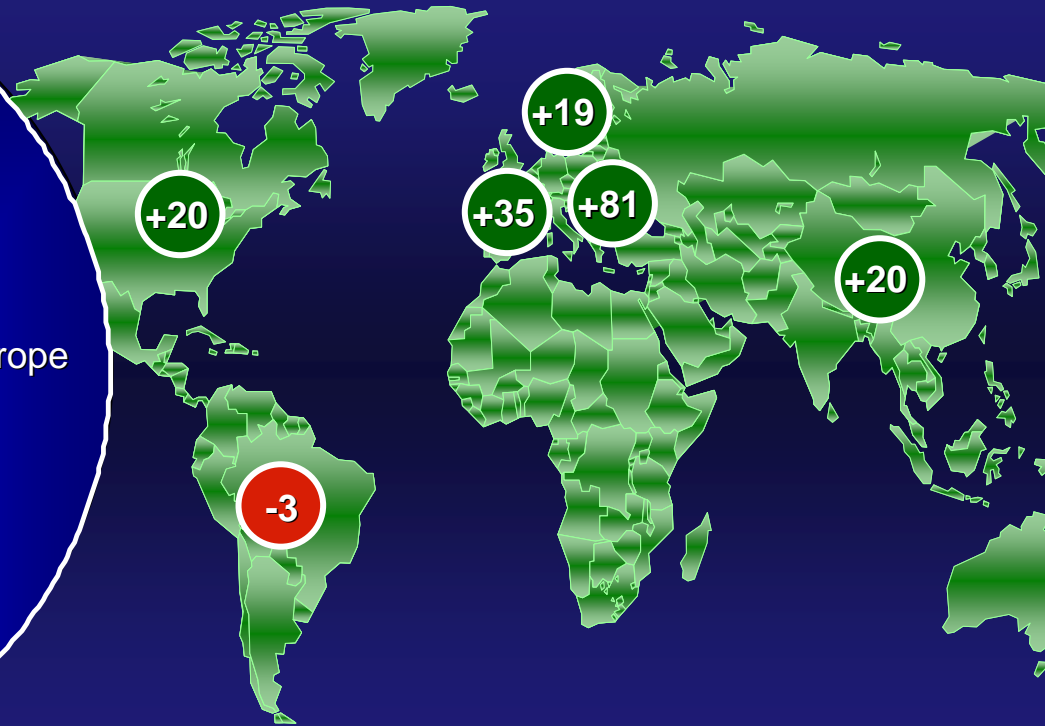
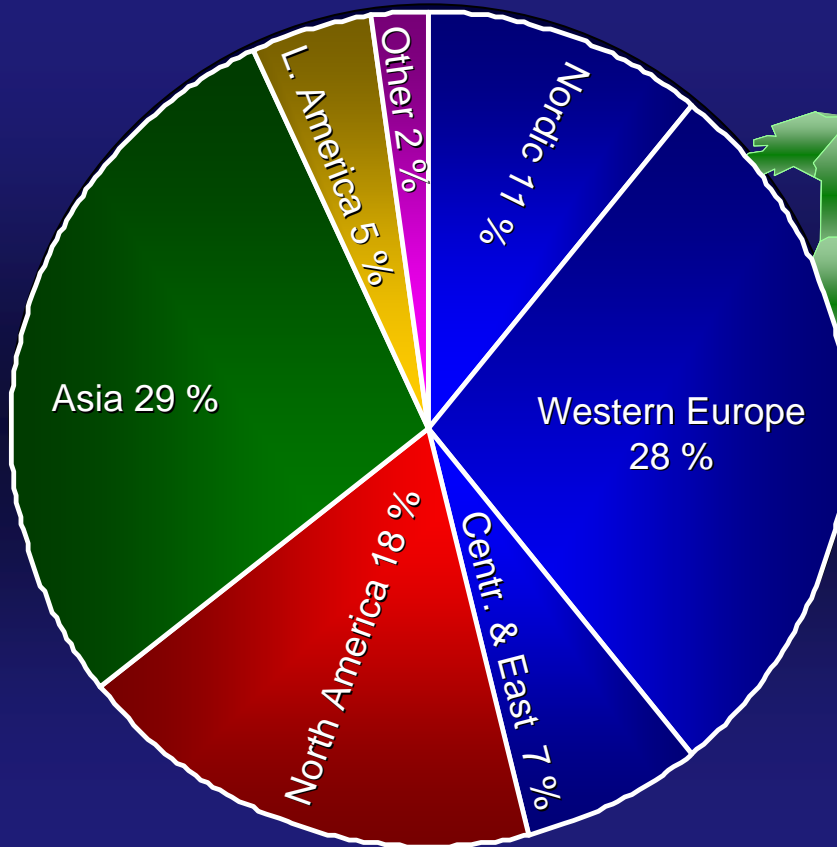
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Orders received by Region

January – March 2006, at constant rates



Highlights Americas

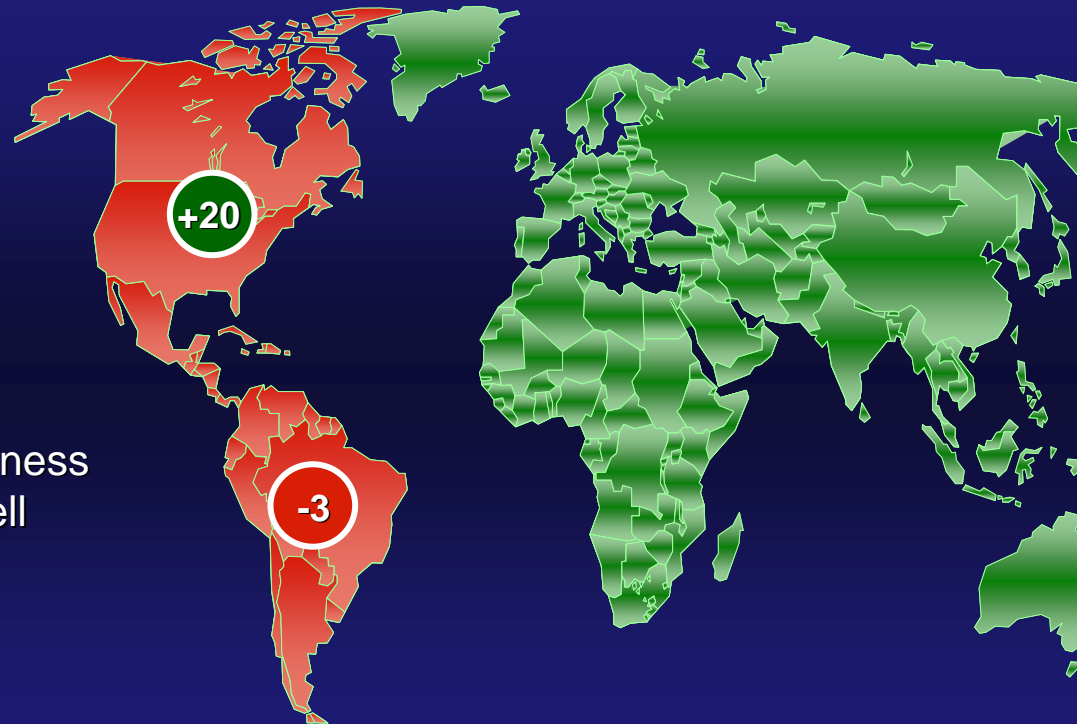
January – March 2006, at constant rates

North America

- Strong development of base business
- Fuel ethanol very strong

Latin America

- Fewer large contracts
- Moderate growth in base business
- Parts & Service developed well



Highlights Europe

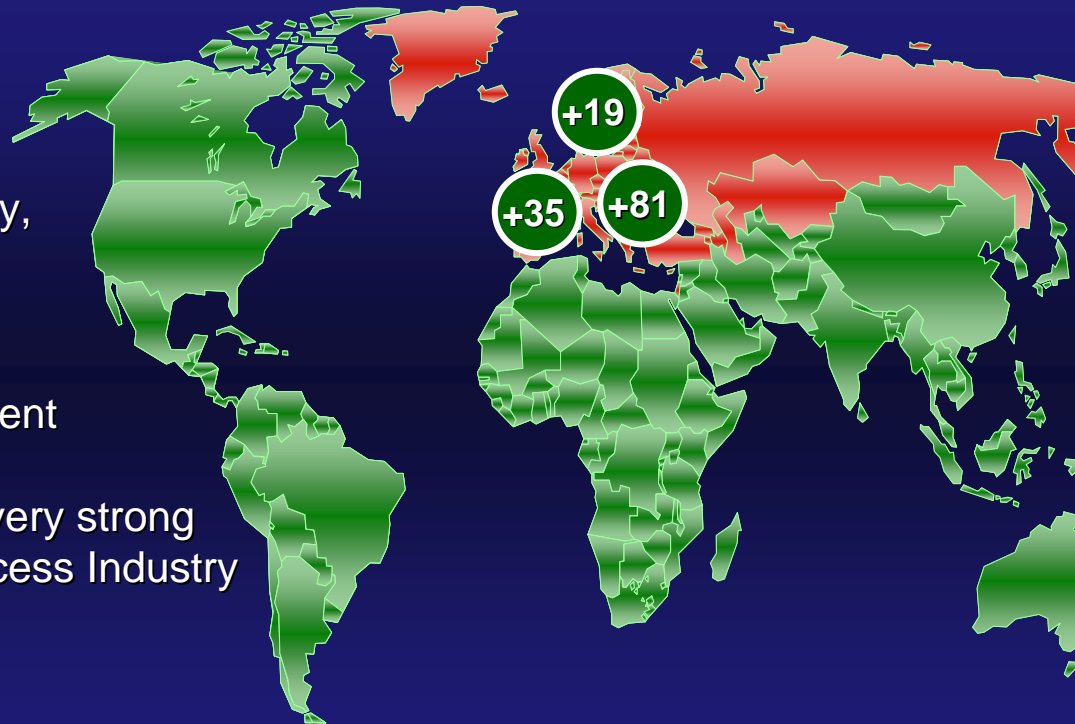
January – March 2006, at constant rates

Western Europe incl. Nordic

- All segments and regions above last year
- Best development in Germany, Italy and the Nordic region

Central and Eastern Europe

- Continued very good investment climate
- Russia, Ukraine and Turkey very strong
- Best growth in Food and Process Industry



Highlights Asia

January – March 2006, at constant rates

Asia

- Strongest development in Process Industry, Energy & Environment and Comfort & Refrigeration
- Best growth in India and Korea



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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK million

Jan – Mar 06

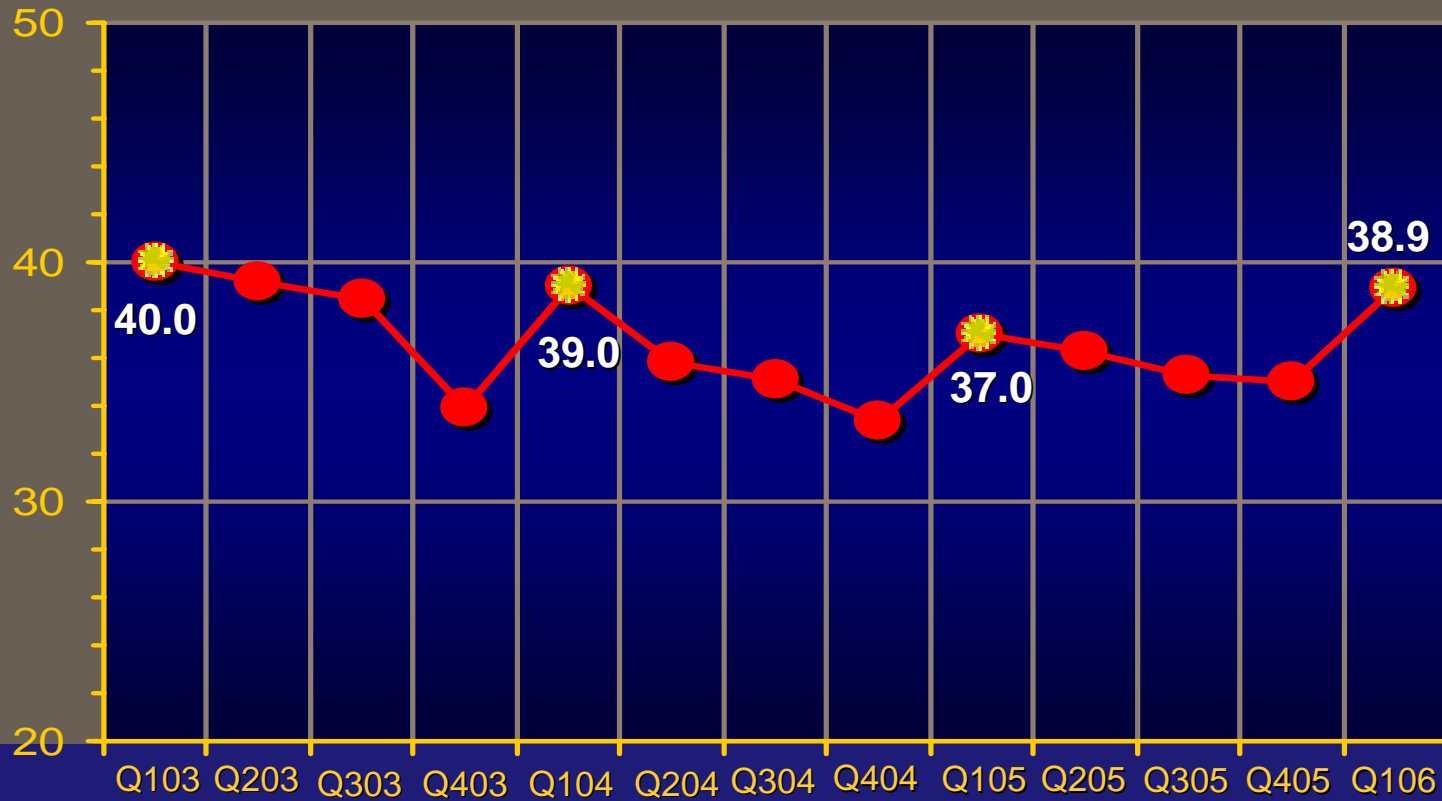
Order intake	5,481
Net sales	4,076
Adjusted EBITA	525
Adjusted EBITA-margin	12.9%

Adjusted EBITA

SEK million	Jan – Mar
2005	330
2006	525
Deviation	195
FX. translation	46
FX. transaction	-16
Deviation excl FX	165

Gross profit margin

In percent of sales



Highlights

SEK million	Jan – Mar 06
Order intake	5,481
Net sales	4,076
Adjusted EBITA	525
Adjusted EBITA-margin	12.9%
Profit before tax	426

Earnings per share

	Q1 2006	Q1 2005
Earnings	2.90	0.49
Earnings excluding goodwill and step-up	3.40	0.93

Highlights

SEK million	Jan – Mar 06
Order intake	5,481
Net sales	4,076
Adjusted EBITA	525
Adjusted EBITA-margin	12.9%
Profit before tax	426
Cash flow from operating activities	392
ROCE	24.5%
Excl. step-up and goodwill appr. 62.5%	

Cash-flow statement

MSEK	Q1 2006	Q1 2005
Cash flows from		
- operating activities	392	17
- investing activities	- 1,285	- 483
Financial net paid	11	2
Total	- 882	- 464
<hr/>		
Pro Forma Free-cash-flow*	339	- 40

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

Foreign exchange

Estimated impact on adjusted EBITA from Fx. fluctuations

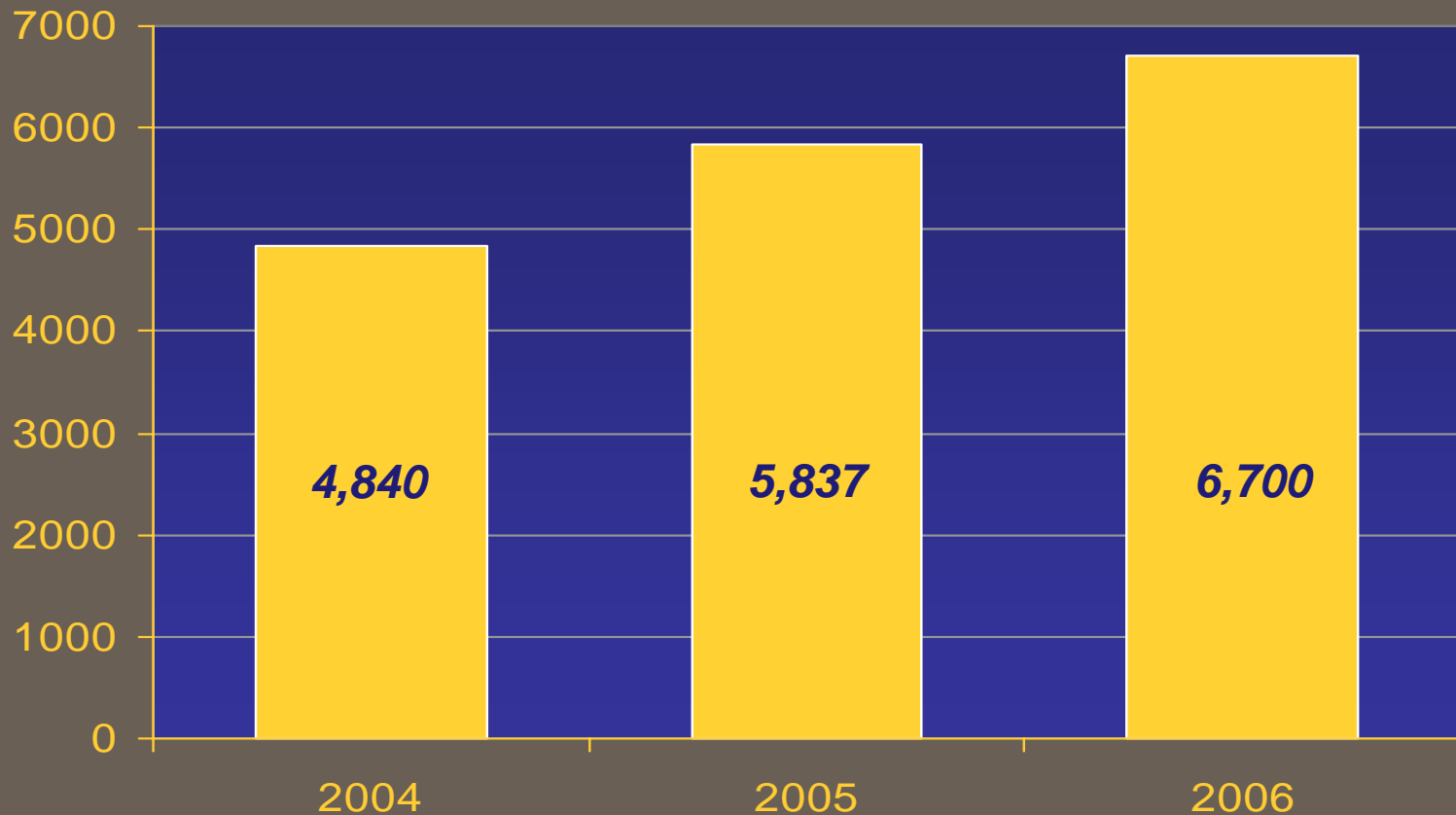
SEK million	Q1 2006	WY 06*	WY 07*
Translation effect	+ 46	+ 55	0
Transaction effect	- 16	+ 40	+ 55
Total	+ 30	+ 95	+ 55

**Based on EUR/USD 1.20 and EUR/SEK 9.30*

Order backlog as per March 31

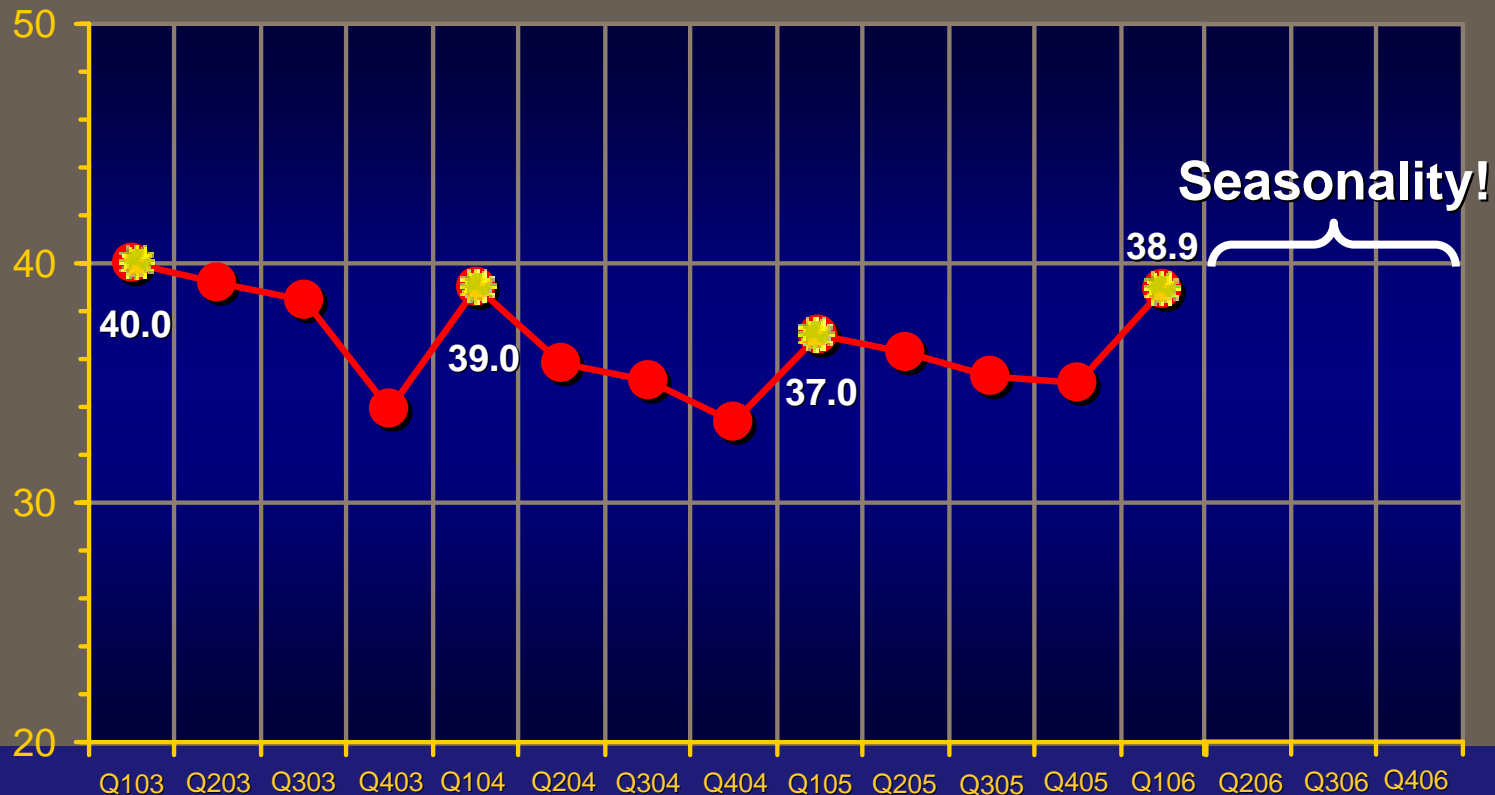
For delivery in the current year

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.”

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