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

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Jan – Mar 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>4,004</td>
</tr>
<tr>
<td>Structural change, %</td>
<td>+ 2</td>
</tr>
<tr>
<td>Currency, %</td>
<td>+ 9</td>
</tr>
<tr>
<td>Organic development, %</td>
<td>+ 26</td>
</tr>
<tr>
<td>Total, %</td>
<td>+ 37</td>
</tr>
<tr>
<td>2005</td>
<td>5,481</td>
</tr>
</tbody>
</table>
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."
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
Highlights

January – March 2006

- Acquisition of Tranter completed.
Highlights

January – March 2006

- Acquisition of Tranter completed.
- Order for 13 processing lines, SEK 110 million.
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.
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.
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.
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
Orders received by Segment
January – March 2006, at constant rates

- Comfort & Refrigeration
- Marine & Diesel
- Fluids & Utility
- OEM
- Sanitary
- Process Industry
- Energy & Environment
- Food
- Parts & Service
- Life Science
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

- Strong growth in Food, rapid increase in vegetable oil
- Continued investments - oil- and gas related industry - fuel ethanol

Life Science
Process Industry
Energy & Environment
Food
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.
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
Orders received by Region

January – March 2006, at constant rates

North America 18 %
Western Europe 28 %
Asia 29 %
Centr. & East 7 %
Nordic 11 %
L. America 5 %
Other 2 %

January – March 2006:
-3 %
+81 %
+35 %
+19 %
+20 %
+20 %

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
- Best growth in India and Korea
Interim Report Q1 2006

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

Mr. Thomas Thuresson
CFO
Alfa Laval Group
# Highlights

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Jan – Mar 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,481</td>
</tr>
<tr>
<td>Net sales</td>
<td>4,076</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>525</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>12.9%</td>
</tr>
</tbody>
</table>
## Adjusted EBITA

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Jan – Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>330</td>
</tr>
<tr>
<td>2006</td>
<td>525</td>
</tr>
<tr>
<td>Deviation</td>
<td>195</td>
</tr>
<tr>
<td>FX. translation</td>
<td>46</td>
</tr>
<tr>
<td>FX. transaction</td>
<td>-16</td>
</tr>
<tr>
<td>Deviation excl FX</td>
<td>165</td>
</tr>
</tbody>
</table>
Gross profit margin

In percent of sales

Q1 2003: 38.9%
Q2 2003: 37.0%
Q3 2003: 39.0%
Q4 2003: 37.0%
Q1 2004: 40.0%
Q2 2004: 39.0%
Q3 2004: 37.0%
Q4 2004: 38.9%
Q1 2005: 37.0%
Q2 2005: 37.0%
Q3 2005: 37.0%
Q4 2005: 38.9%
Q1 2006: 38.9%
## Highlights

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Jan – Mar 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,481</td>
</tr>
<tr>
<td>Net sales</td>
<td>4,076</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>525</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>12.9%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>426</td>
</tr>
</tbody>
</table>
# Earnings per share

<table>
<thead>
<tr>
<th></th>
<th>Q1 2006</th>
<th>Q1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>2.90</td>
<td>0.49</td>
</tr>
<tr>
<td>Earnings excluding</td>
<td>3.40</td>
<td>0.93</td>
</tr>
<tr>
<td>goodwill and step-up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Highlights

<table>
<thead>
<tr>
<th>Metric</th>
<th>Jan – Mar 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,481</td>
</tr>
<tr>
<td>Net sales</td>
<td>4,076</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>525</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>12.9%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>426</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>392</td>
</tr>
<tr>
<td>ROCE</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

Excl. step-up and goodwill appr. 62.5%
# Cash-flow statement

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

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

### Estimated impact on adjusted EBITA from Fx. fluctuations

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 2006</th>
<th>WY 06*</th>
<th>WY 07*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>+ 46</td>
<td>+ 55</td>
<td>0</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>- 16</td>
<td>+ 40</td>
<td>+ 55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>+ 30</td>
<td>+ 95</td>
<td>+ 55</td>
</tr>
</tbody>
</table>

*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

- 2004: 4,840
- 2005: 5,837
- 2006: 6,700

For delivery in the current year

SEK million

- 2004: 4,840
- 2005: 5,837
- 2006: 6,700
Gross profit margin

In percent of sales

Seasonality!
Interim Report Q1 2006

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