

ALFA
LAV



Interim Report Q2 2007

- 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 2007

- Orders received up 13% to SEK 6,822 million.
- Net sales up 29% to SEK 6,094 million.
- Adjusted EBITA up 60% SEK 1,130 million.
- Negative currency effect SEK 76 million.

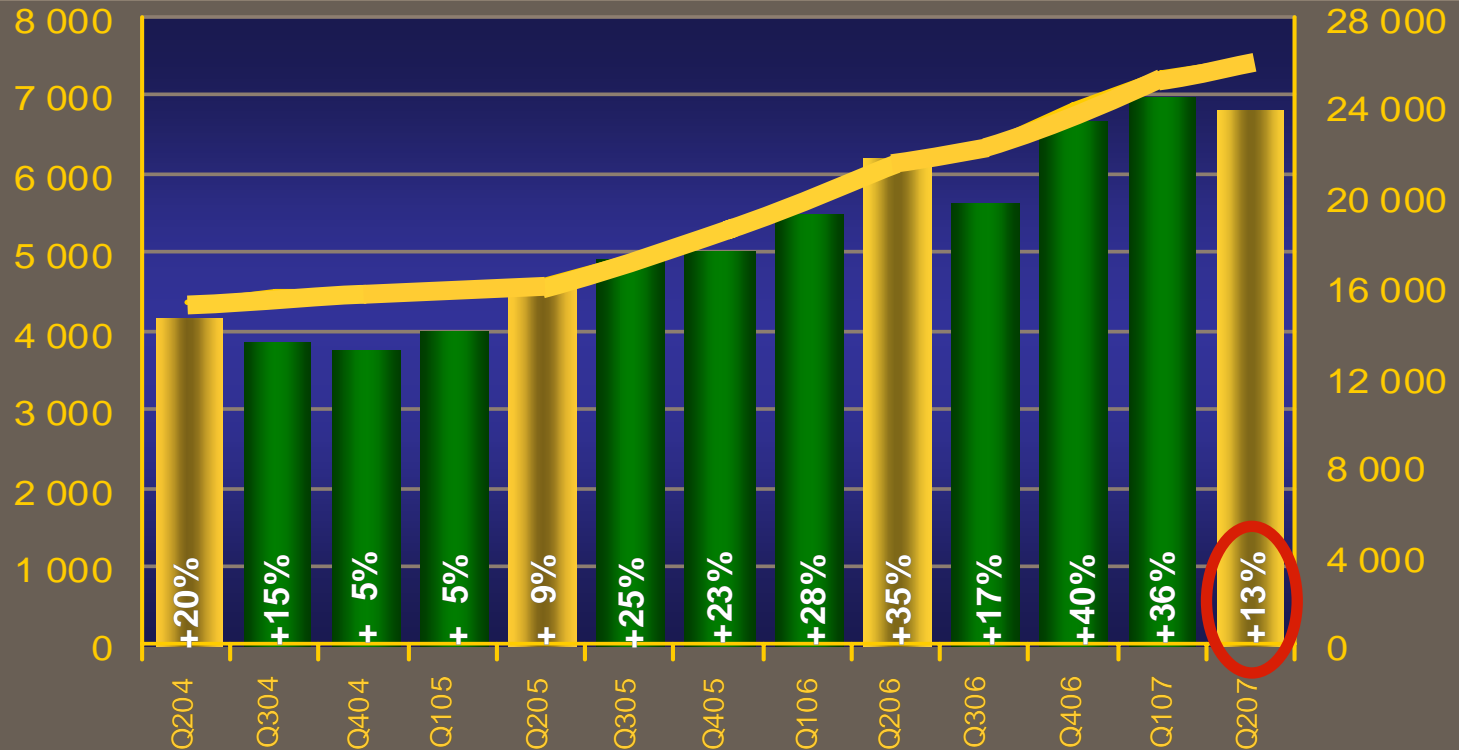
January – June 2007

- Orders received up 23% to SEK 13,827 million.
- Net sales up 31% to SEK 11,244 million.
- Adjusted EBITA up 60% to SEK 1,965 million.
- Negative currency effect SEK 155 million.

Orders received

SEK million

SEK million R 12



— = rolling twelve months value
■ ■ = order intake per quarter

+xx% = % development at constant rates by quarter year on year

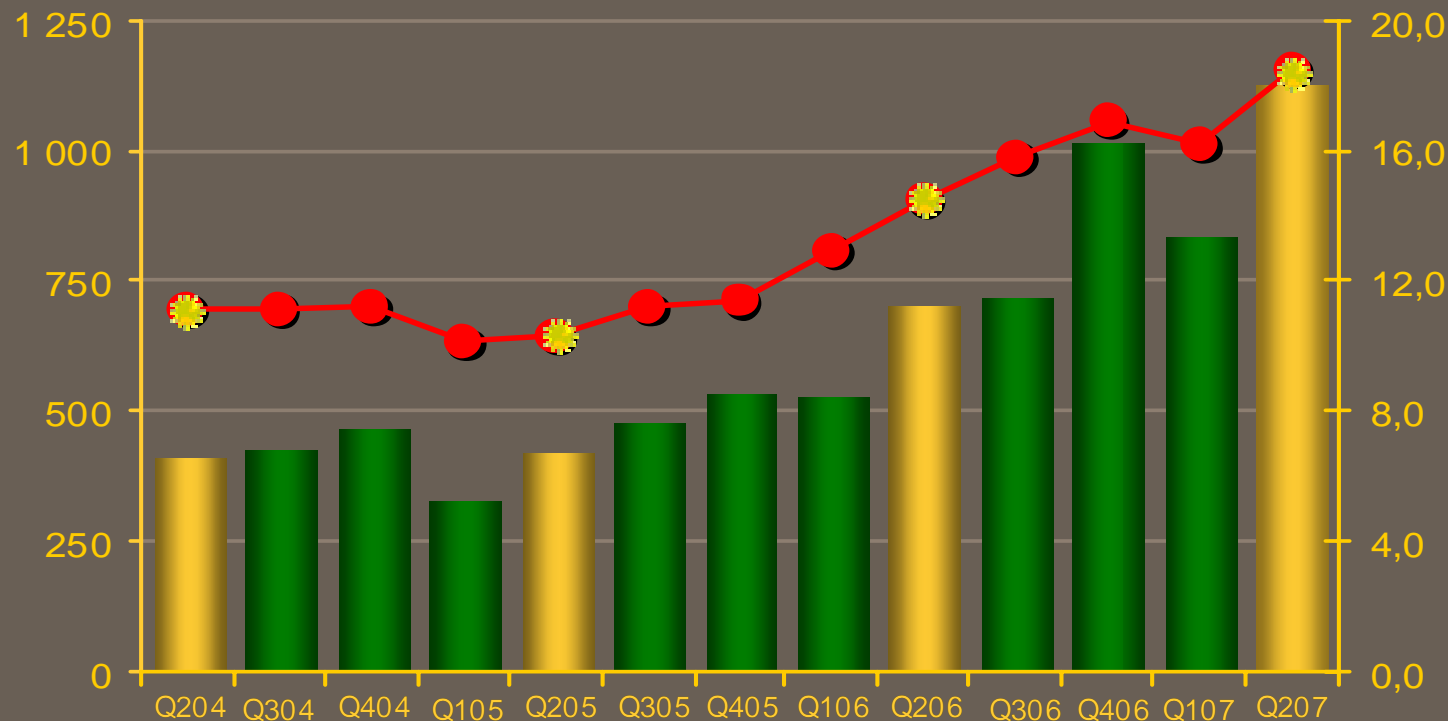
Order analysis

Apr – Jun 07

2006 (SEK million)	6,217
Structural change, %	+ 1
Currency effects,%	- 3
Organic development, %	+ 12
Total, %	+ 10
2007 (SEK million)	6,822

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 during the quarter

Large orders, total SEK 240 million (380)

- Process solution to large European ethanol plant.
Total value SEK 50 million. Delivery during 2008.

Highlights during the quarter

Large orders

- Process solution to large European ethanol plant.
- Petrochemical order for Saudi Arabia.

*The successful plate heat exchanger T50 for the plant's central cooling.
Total value SEK 190 million. Delivery during 2009.*

Highlights during the quarter

Acquisitions

- Additional 13 percent of Alfa Laval India.

Alfa Laval AB owns approximately 77 percent of the listed company Alfa Laval (India) Ltd. Investment SEK 505 million.

Highlights during the quarter

Acquisitions

- Additional 13 percent of Alfa Laval India.
- Dutch company Helpman, turnover SEK 200 million.
One of the leading companies in Europe for air heat exchangers used in the sensitive logistical chain for food. 130 employees.

Highlights during the quarter

Acquisitions

- Additional 13 percent of Alfa Laval India.
- Dutch company Helpman, turnover SEK 200 million.
- American AGC Engineering, turnover SEK 70 million.

Provides plate heat exchanger service and equipment to the dairy and food processing industries. Strengthens the position in the sanitary market in the USA. 65 employees.

Highlights during the quarter

Repurchase of shares

- Mandate to repurchase 10 percent of the issued shares.
- During Q2 2007 Alfa Laval AB has repurchased 1,011,969 shares corresponding to 0.9% of the shares at a total price of SEK 426 million.



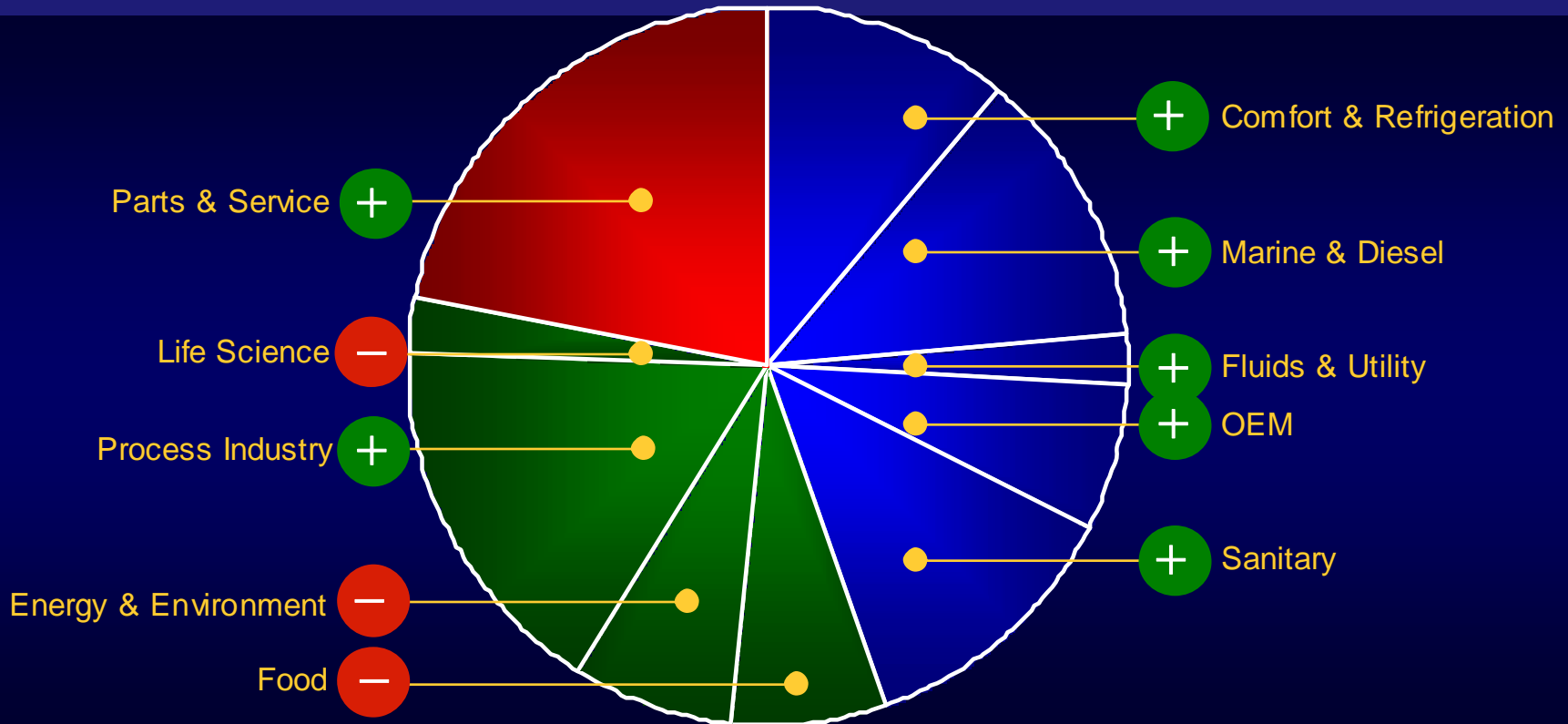
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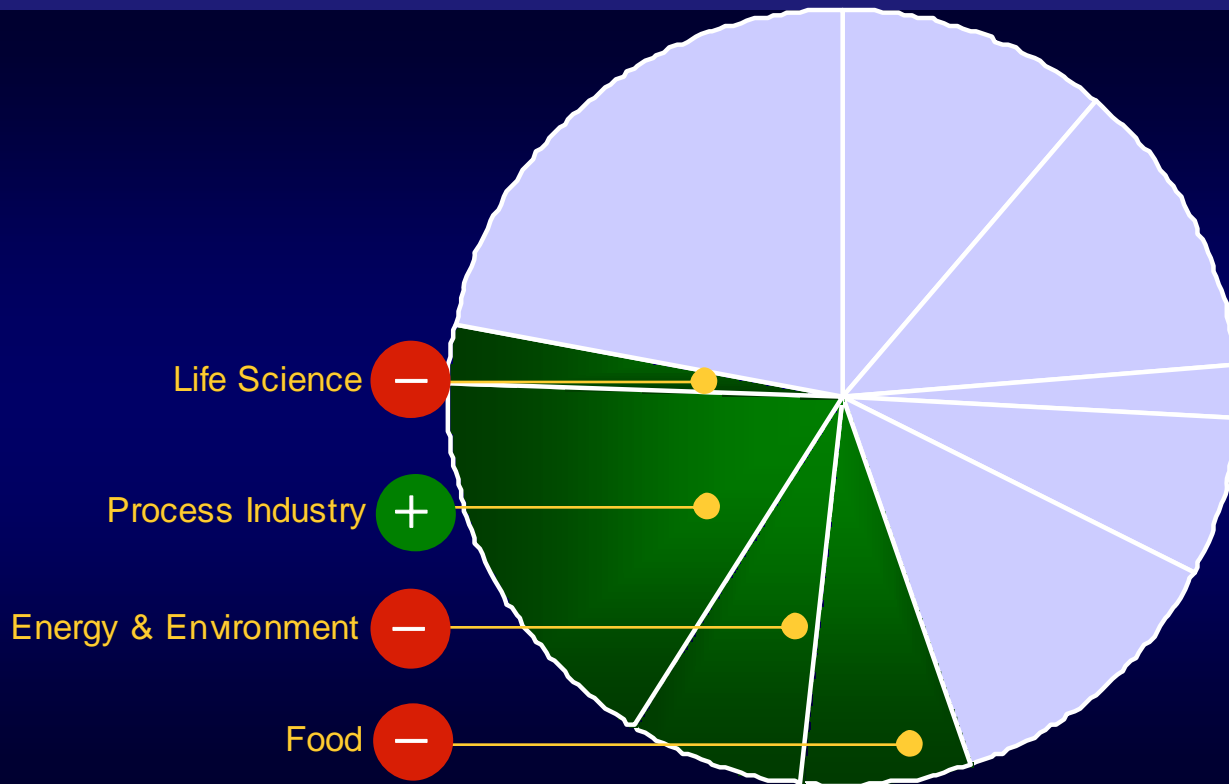
Orders received by Segment

April – June 2007, at constant rates



Orders received by Segment

*The Process Technology Division, April – June 2007,
at constant rates and for comparable units*

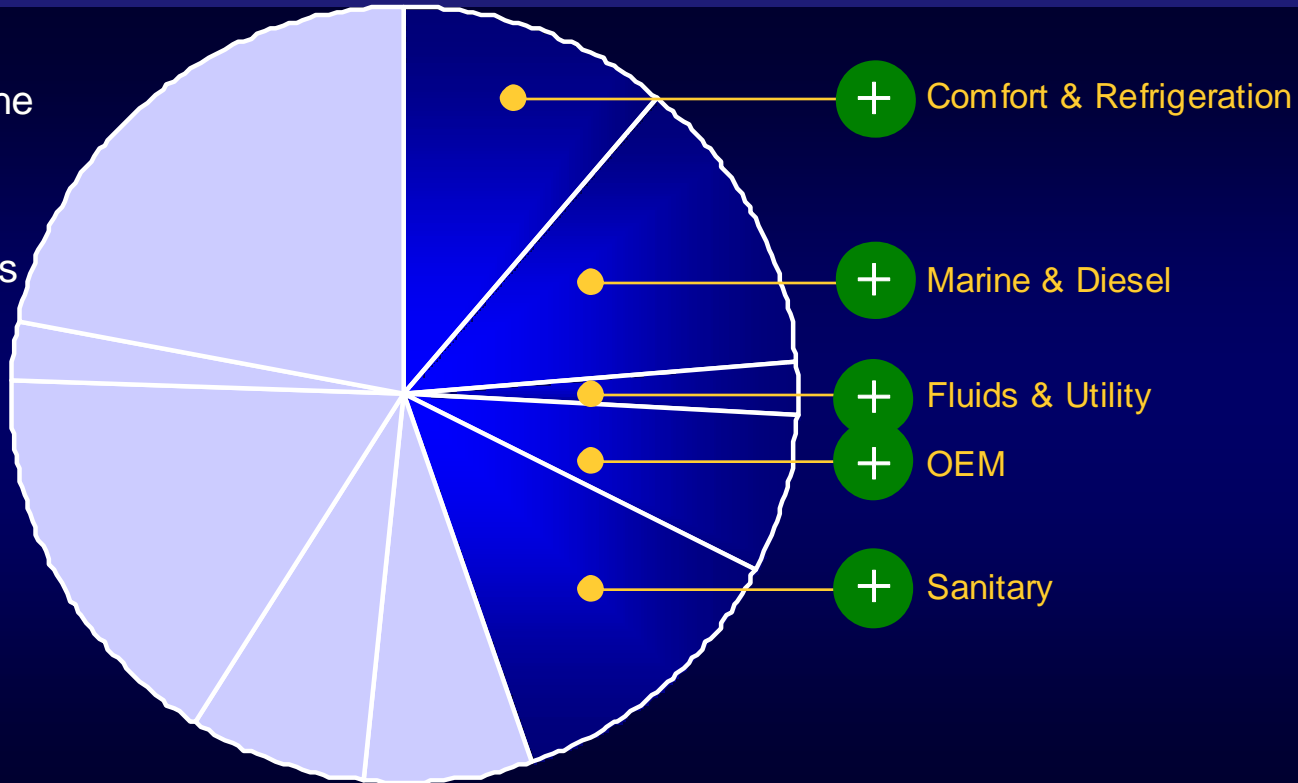


- Good growth in Process Industry, particularly refinery and petrochemical.
- Bio diesel is increasing, and bio ethanol remains stable on a high level.

Orders received by Segment

The Equipment Division, April – June 2007, at constant rates and for comparable units

- High investments in the dairy-, food- and cosmetics industry.
- Increased investments in refrigeration.
- Continued high investments in Marine and heat pumps in OEM.



Refrigeration

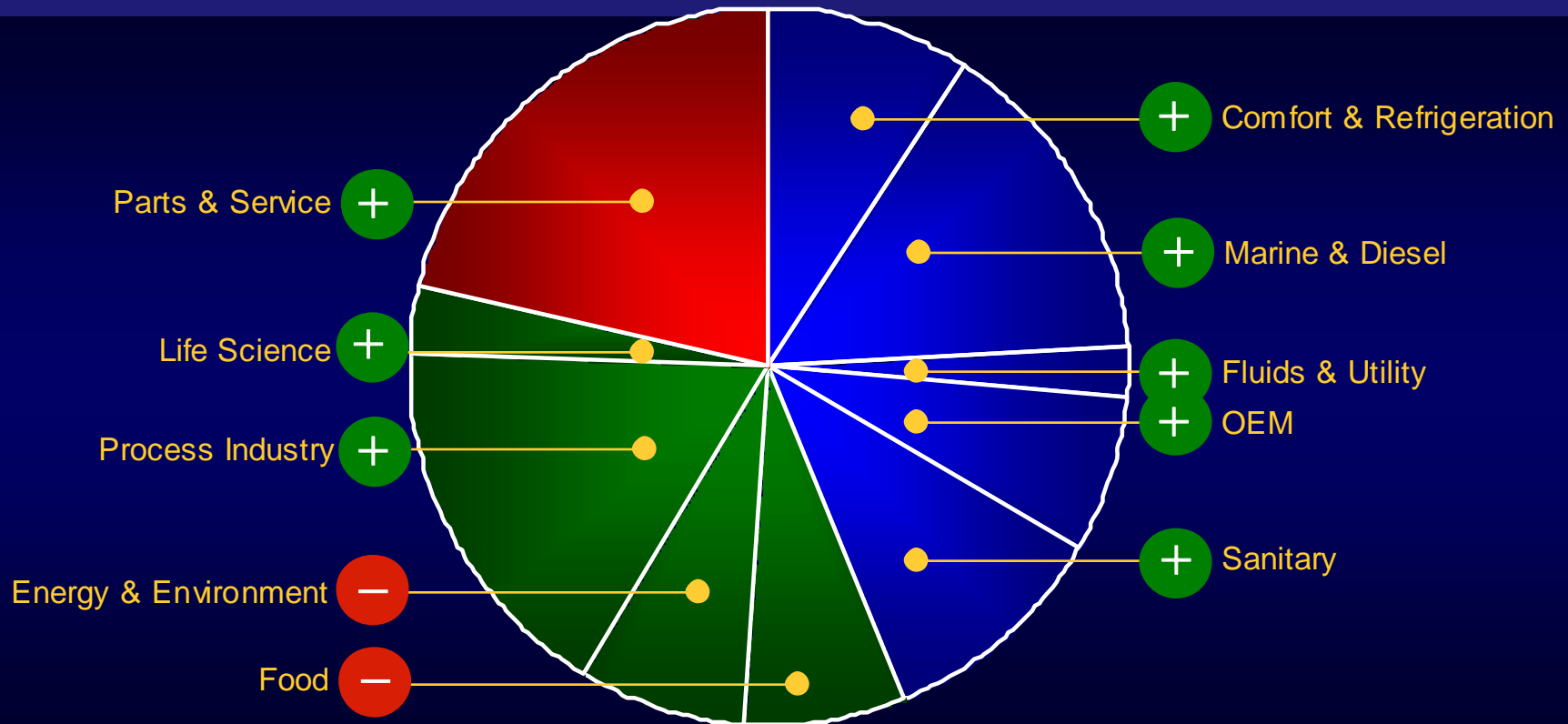
Increased focus with a broader product portfolio

- The acquisition of Helpman.
- Turnover SEK 200 M, with a strong position in Europe.



Orders received by Segment

January – June 2007, at constant rates





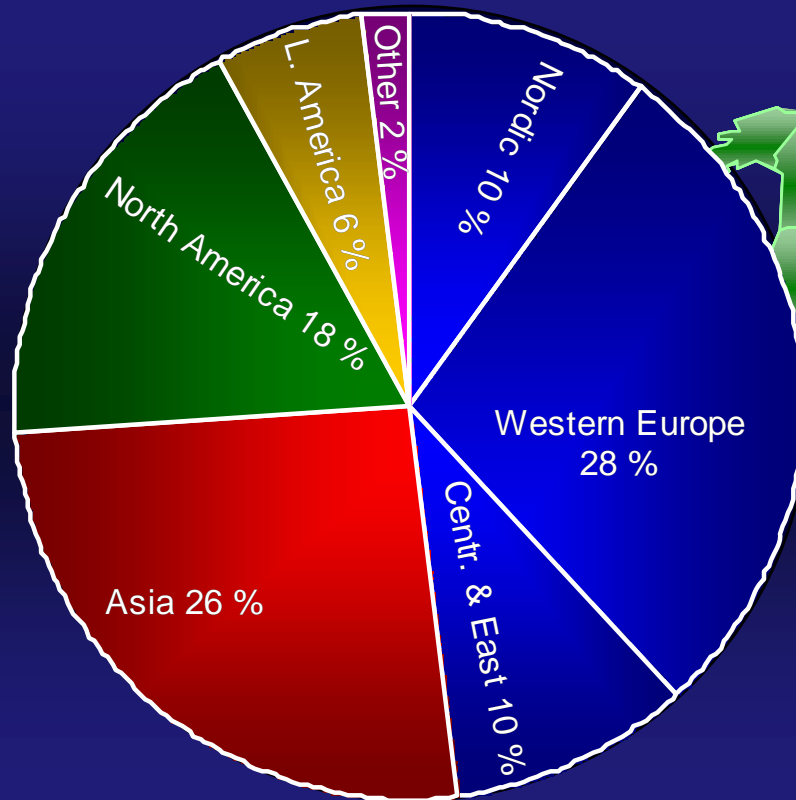
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Orders received by Region

April – June 2007, at constant rates



Highlights Americas

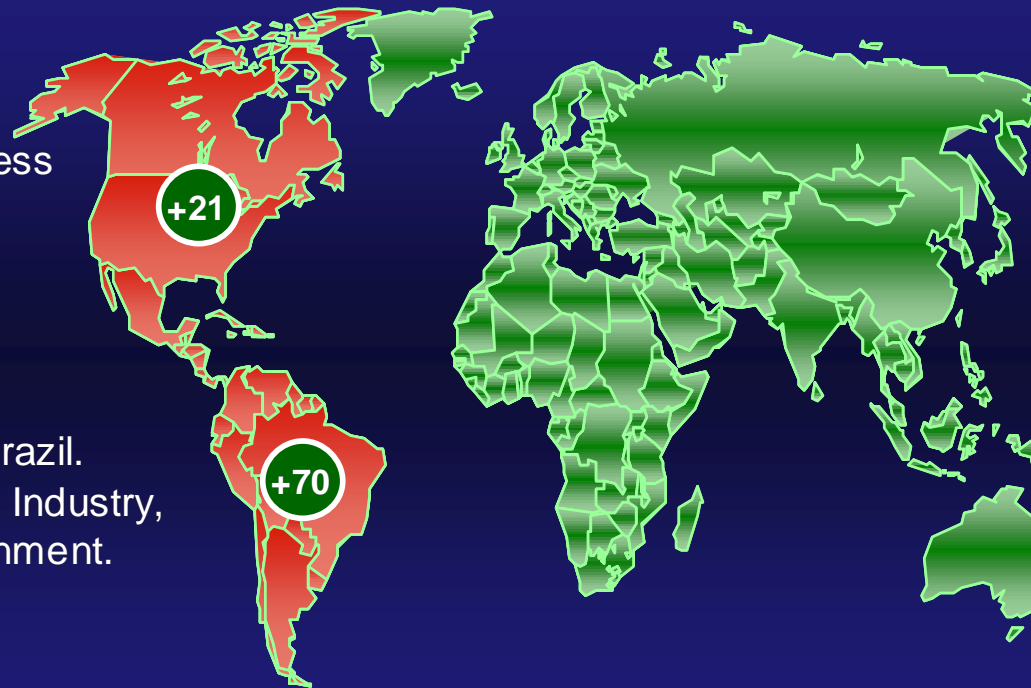
April – June 2007, at constant rates

North America

- Very good level of base business and a strong aftermarket.
- Best development in Process Industry.

Latin America

- Outstanding development in Brazil.
- Very strong growth in Process Industry, Sanitary and Energy & Environment.



Highlights Europe

April – June 2007, at constant rates

Western Europe incl. Nordic

- Continued strong development in base business.
- Best order intake in Comfort & Refrigeration, Sanitary and Fluids & Utility.
- A large energy order in France last year was not repeated.

Central and Eastern Europe

- Very good level of base business and a strong aftermarket.
- Strongest development in Russia and Poland.



Highlights Asia

April – June 2007, at constant rates

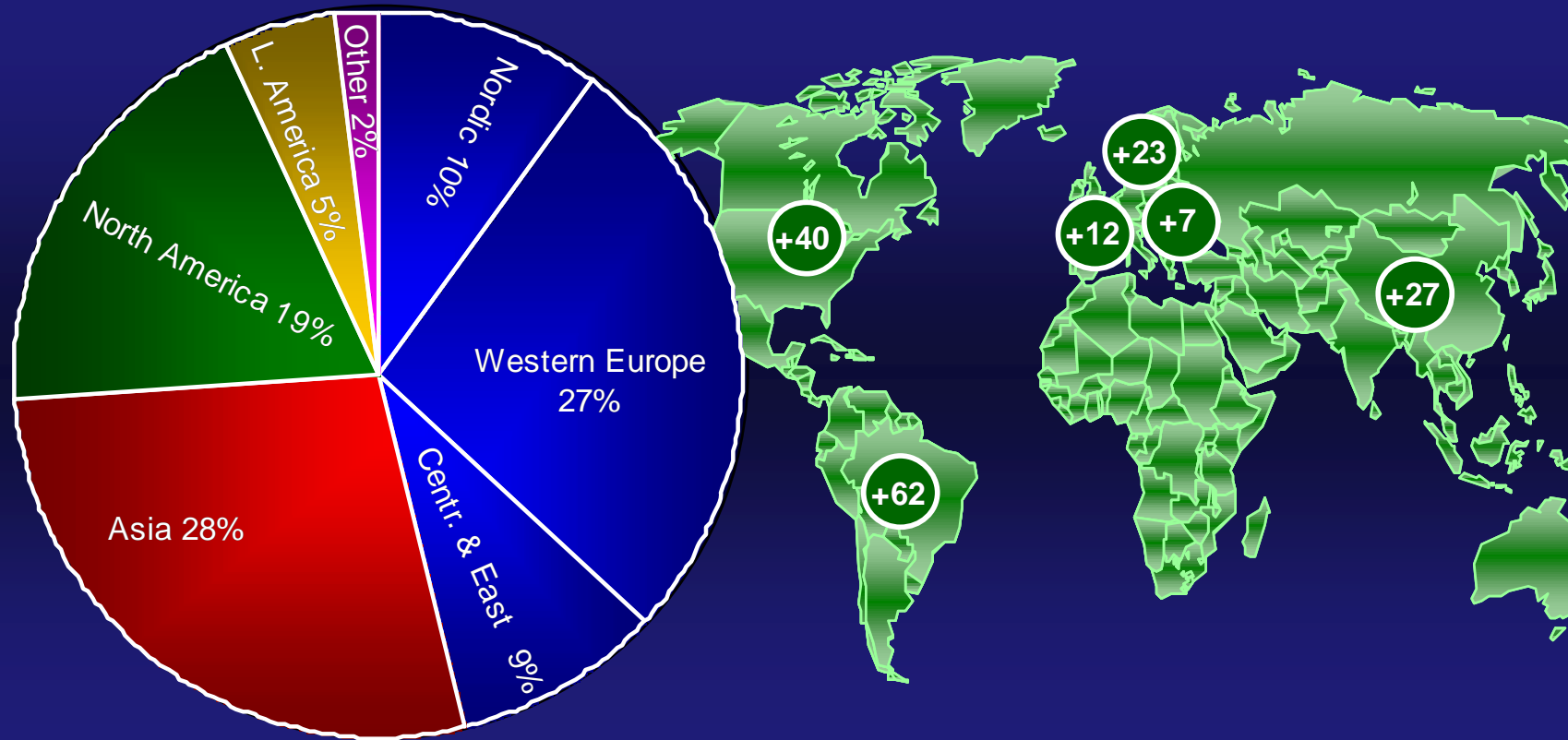
Asia

- Continued good development of base business.
- Best performance in Sanitary, Comfort & Refrigeration and Fluids & Utility.



Orders received by Region

January – June 2007, at constant rates





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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

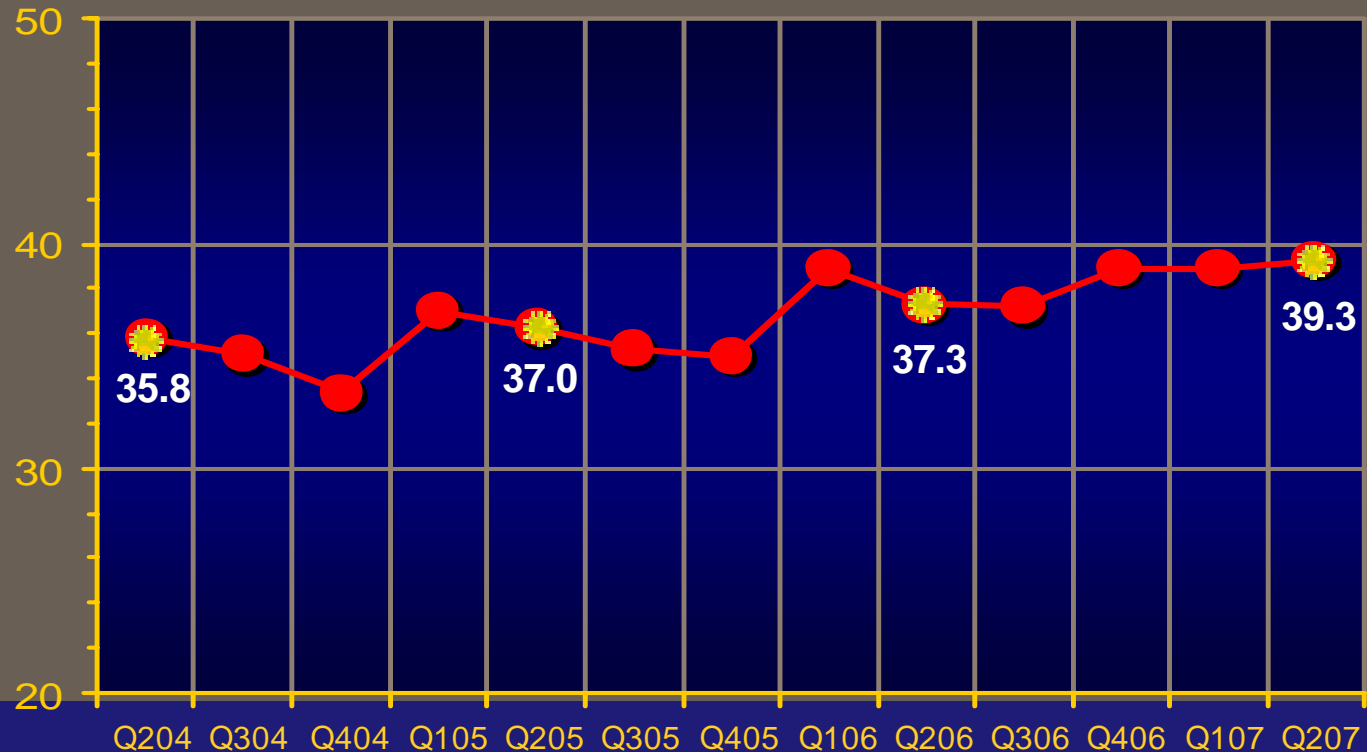
SEK million

Apr – Jun 07

Order intake	6,822
Net sales	6,094
Adjusted EBITA	1,130
Adjusted EBITA-margin	18.5%

Gross profit margin

In percent of sales



Highlights

SEK million	Apr – Jun 07
Order intake	6,822
Net sales	6,094
Adjusted EBITA	1,130
Adjusted EBITA-margin	18.5%
Profit before tax	1,037

Earnings per share

	Apr - Jun	
	2007	2006
Earnings	6.48	3.97
Earnings, excluding step-up	11.55	7.89

Highlights

SEK million	Apr – Jun 07
Order intake	6,822
Net sales	6,094
Adjusted EBITA	1,130
Adjusted EBITA-margin	18.5%
Profit before tax	1,037
Cash flow from operating activities	488
ROCE	41.1%

Cash-flow statement

SEK million	Jan – June 2007	Jan – June 2006
Cash flows from		
- operating activities	1,038	909
- investing activities	- 849	- 1,359
Financial net paid	- 162	- 20
Total	27	- 470
<hr/>		
Pro Forma Free-cash-flow*	732	752

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

Foreign exchange

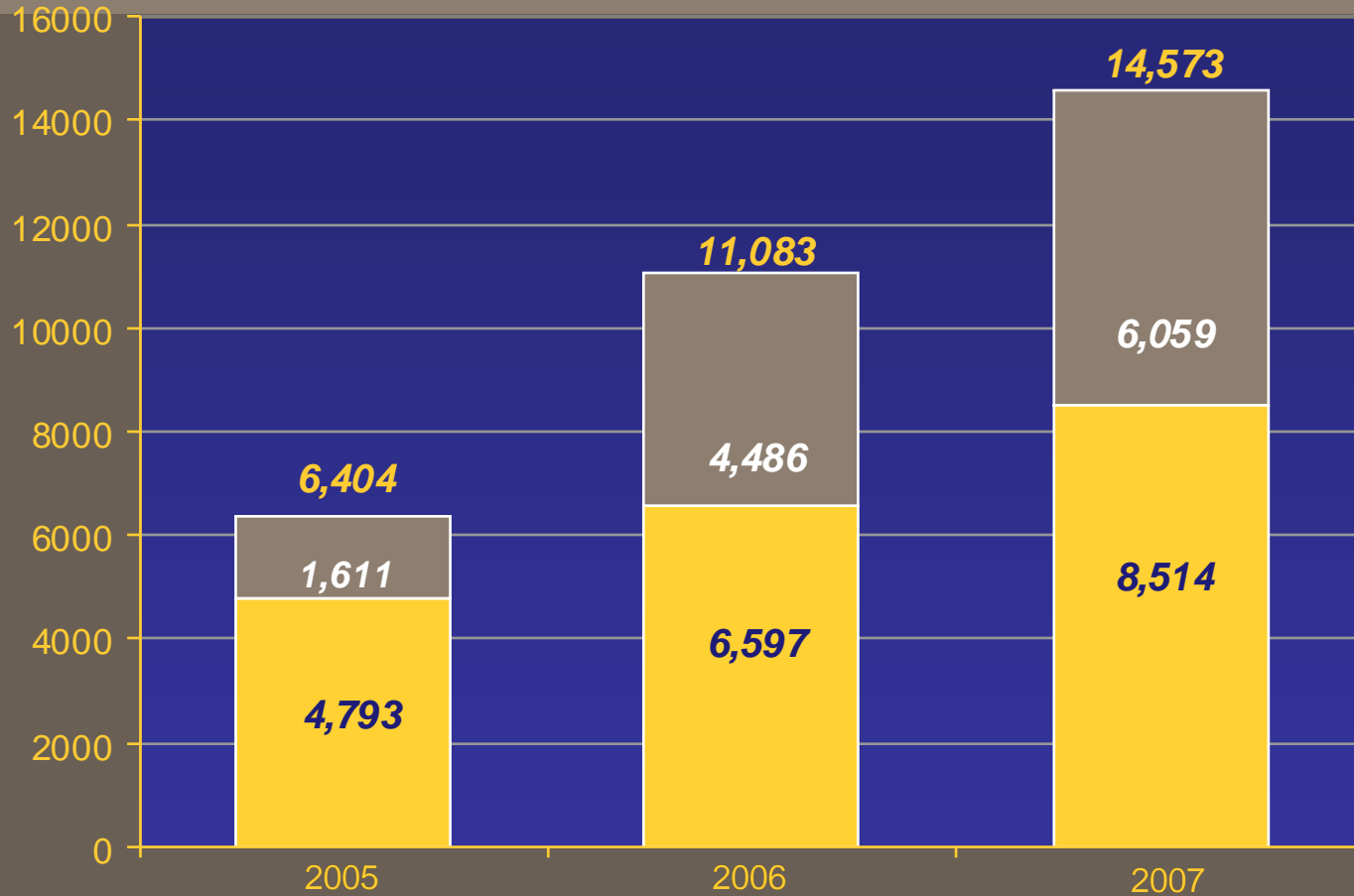
Estimated impact on adjusted EBITA from Fx. fluctuations


SEK million	Q2 07	H1 07	WY 07*	WY 08*
Translation effect	- 73	- 93	- 130	0
Transaction effect	- 3	- 62	- 155	- 85
Total	- 76	- 155	- 285	- 85

*Based on EUR/USD 1.35 and EUR/SEK 9.25

Order backlog as per June 30

SEK million



 For delivery during rest of current year

 For delivery in the later years



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Outlook for the near future

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

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